

# *The* NATIONAL UNDERWRITER



FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY  
ORGANIZED 1855



THE GIRARD FIRE AND MARINE INSURANCE COMPANY  
ORGANIZED 1853



NATIONAL-BEN FRANKLIN FIRE INSURANCE COMPANY of Pittsburgh, Pa.  
ORGANIZED 1866



THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE  
ORGANIZED 1870



MILWAUKEE MECHANICS' INSURANCE COMPANY  
ORGANIZED 1882



ROYAL PLATE GLASS AND GENERAL INSURANCE COMPANY OF CANADA  
ORGANIZED 1906



THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK  
ORGANIZED 1874



COMMERCIAL CASUALTY INSURANCE COMPANY  
ORGANIZED 1909



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THURSDAY, JANUARY 13, 1949

# HERE'S YOUR "PILOT" —To Keep Boat Owners "Off The Rocks!"



**M**ANY HAZARDS of the waterways do not appear on any navigation chart . . . but they could easily land a boat owner "on the rocks"—financially.

These hazards are the always-present dangers of fire, theft, collision, storm, stranding, and other casualties—the constant threat of injury to persons and damage to property involving, as they often do, law suits and crippling judgments.

*You can help the boat owners in your community start the New Year right. Keep them away from treacherous financial shoals by furnishing them a "pilot" in the form of a sound pleasure boat policy written through the Marine Office of*

*America. That is the message the Marine Office is presenting to boat owners currently in all leading yachting publications.*

The Marine Office "knows the waters"—it has been protecting boat owners for 30 years. It has broad facilities—with branch and service offices from coast to coast. Every policy is backed by the great strength and resources of its member companies. The boat owners in your community need the protection of sound insurance—many of them, too many—do not have it! Contact them today! Earn extra premiums for your agency!

*Marine Office of America Advertising is appearing currently in all leading yachting publications.*



## MARINE OFFICE OF AMERICA

116 JOHN STREET

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**PACIFIC DEPARTMENT**  
140 Sansome Street  
San Francisco 4, California

**SOUTHERN DEPARTMENT**  
Canal Building  
New Orleans 12, Louisiana

**NORTHWESTERN DEPARTMENT**  
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Seattle 4, Washington

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Detroit, Michigan  
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Jacksonville, Florida  
Los Angeles, California  
Louisville, Kentucky  
Philadelphia, Pennsylvania  
Pittsburgh, Pennsylvania  
St. Louis, Missouri  
Stockton, California  
Syracuse, New York

ALL CLASSES OF OCEAN AND INLAND MARINE INSURANCE

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April and May) by The National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. 53rd year, No. 2, Thursday, January 13, 1949. \$5.00 a year (Canada \$6.00). 20 cents per copy. Entered as second-class matter April 23, 1931, at the post office at Chicago, Ill., under Act of March 3, 1879.

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## Wind Loss at Warren Now Set at \$1½ Million

Loss in the Jan. 3 tornado at Warren, Ark., is now estimated by General Adjustment Bureau at more than \$1½ million. By far the largest part of the blow was that to Bradley Lumber Co. On that risk the loss is estimated at \$900,000.

G.A.B. has opened a temporary office at Warren under the supervision of Tom S. Jones, storm supervisor. L. A. Branch, manager at Eldorado, has general supervision over this storm operation. Transferred to the temporary of-



in building, machinery and stock and \$250,000 on U. & O. This was one of the very best constructed lumber mills in the southwest, but it was no match for the violence of this tornado.

This is one of the largest windstorm losses in history involving a single risk. The insurance is placed by Marsh & McLennan.

office are 15 adjusters and extra clerical help.

The storm cut a path about six blocks wide from north to south and some 38 blocks long in Warren.

The accompanying picture gives a good conception of the extent of the damage to Bradley Lumber Co. (Photo by Acme.)

## E. C. Rates Are Reduced in New England States

Sharp reductions in cost of extended coverage on risks written without 80% coinsurance clause are contained in the new E.C. section of New England Fire Insurance Rating Assn. manual. Instead of triple the 80% E.C. rate, double rates are specified when risks (other than farm or non-fire resistant dwellings) are written without coinsurance in Maine, Massachusetts, Rhode Island and Connecticut. The triple rate had been in effect since September in these states. Pro rata rebate on policies now in force is permitted dating from Dec. 28 in Rhode Island and from Jan. 7 in the other three states.

It was found that the triple rate had been particularly burdensome on certain types of unprotected risks for which no 80% coinsurance rates are available.

The E.C. revision includes the new mandatory \$50 windstorm deductible clause that is now required in Rhode Island. The deductible clause is still optional in Maine, Massachusetts and Connecticut. It is not applicable in Vermont except in connection with farm property.

## Fireman's Fund Gathering

The western department field conference of Fireman's Fund gets under way at Chicago next Monday in charge of Vice-president E. D. Lawson. Attending from the head office will be Executive Vice-president Maynard Garrison and Vice-presidents F. H. Merrill and L. Haefner. R. V. Goodwin, executive vice-president of Fireman's Fund Indemnity from New York will participate as well as A. T. Fleischauer, assistant manager of the eastern department, Boston, and T. E. Sims, Jr., assistant southern manager, Atlanta.

## F.C.I.C. Makes Profit: Recommend Extension

Expansion of federal crop insurance was recommended in the report of 1948 results which showed that F.C.I.C. had made money last year. This was the second consecutive year in which the program has shown plus signs.

In 1948, F.C.I.C. paid \$7½ million in losses and showed a profit of \$5 million. G. F. Geissler, manager of F.C.I.C., recommended extension of the plan to a greater number of counties and to more crops. Presently it is limited to 200 counties for wheat, 56 for cotton, 50 each for flax and corn, 35 for tobacco and 20 each for any other crops insured experimentally for the first time.

F.C.I.C. reported loss ratios of 59% on wheat on a net premium-paid loss basis with 85,000 contracts in force. The record for other crops was: Flax, 55% on 16,782 farms; cotton, 65% on 19,479; tobacco, 85% on 32,605; corn, 30% on 14,115 and edible dry beans, 35% on 1,444. Multiple crop insurance, which was tried for the first time last year in two counties under 714 contracts, had a loss ratio of only 10%.

## St. Clair Heads New Insurer

President of the newly organized American Bankers of Miami is Harold W. St. Clair, who was formerly secretary-treasurer of Stuyvesant and at one time was special deputy insurance commissioner of New Jersey. American Bankers specializes in automobile finance accounts. It is closely identified with Retrospective Underwriters of Miami, which is headed by Kirk A. Landon.

F. Paul Marschall of Clifton, N. J., vice-president of Passaic County Assn. of Insurance Agents, has been elected president of the Clifton Chamber of Commerce.

## Graves Returns to Office as Ark. Commissioner

LITTLE ROCK — Governor Sidney McMath, who took office Tuesday, announced that he will appoint J. Herbert Graves of Little Rock as insurance commissioner. Mr. Graves, who served previously as insurance commissioner in the administration of former Governor Adkins, 1941-1945, will succeed Jack G. McKenzie.

In announcing the appointment, the governor-elect said that Mr. Graves has a splendid reputation in the insurance field. Mr. Graves was chairman of the committee on federal legislation of National Assn. of Insurance Commissioners following the S.E.U.A. decision in 1944.

Since 1945 Mr. Graves has been general agent and state agent in Arkansas for Kansas City Life. He is also vice-president of Farmers & Merchants Bank of Judsonia, his home town, and a director of Pulaski Federal Savings & Loan Assn., Little Rock.

Mr. Graves is a former state commander of American Legion and for two years served on the national executive committee.

Mr. Graves served as state finance director for the Democratic national committee, 1940 through 1943, and for several years was state chairman for National Foundation for Infantile Paralysis.

## See Fire Premiums, Loss Ratio in Canada Up

OTTAWA—R. W. Warwick, Dominion superintendent, estimates fire insurance premiums written in Canada in 1948 as \$97 million, an increase of almost 26% over 1947.

The 1947 loss ratio was 45 on premiums written or 53 on premiums earned. In 1948 these figures apparently increased to 50 and 56 respectively.

On automobile insurance, 1947 premium income was around \$48 million and loss ratio 52. Premiums for 1948 are estimated at \$52 million and ratio 53.

Hail insurance, after an unprofitable experience in 1947, when the loss ratio was 66 on premium income of \$4,900,000, is expected to show a profit for 1948 with a loss ratio of around 30 on premium income of \$3,600,000. The drop in premiums is attributed in part to the reduced amount written in Saskatchewan because of the poor prospect of crops until late in the season.

## N.A.I.C. Unit to Probe Installment Sales Cover

Allyn of Connecticut, as chairman of National Assn. of Insurance Commissioners, has appointed Allyn of Connecticut as chairman of a sub-committee of the executive committee to investigate the problems arising out of the issuance of policies of all types in connection with installment purchases of property and loans of money. This committee is to make a report in June. Other members of the committee are Malone of Pennsylvania and Jackson of Missouri. The appointment of the committee was authorized at the December meeting due to the fact that Larson of Florida, in his presidential message, had emphasized this problem so strongly.

## Ford Loss Self-Insured

The fire Dec. 15 that attacked the plant at River Rouge where Ford Motor Co. was making Mercury cars, caused well over \$1 million loss according to unofficial reports. This plant, it is understood, was covered in Ford's self-insurance fund.

## Factory Mutuals Set Up Stock Insurer for General Line

### Participating Carrier to Have \$2 Million Funds Initially

The factory mutual companies are setting up a jointly owned participating stock company to write general line business. The factory mutuals are investing initially \$2 million in capital and surplus of this company, but it is believed that before long this will be an institution of very considerable size.

The factory mutuals during the past few years have been taking on more and more general line unsprinkled business. Much of this was tied up with sprinklered plants that did qualify under the oldtime simon pure factory mutual standards. This general line business has been snowballing and accounts for a very large volume of the factory mutual premiums.

Apparently the plan is to have the factory mutuals divest themselves of this direct underwriting of general line business and to segregate such lines in the new stock company.

Robert P. Swan is resigning as secretary of Union Mutual Fire of Providence to become vice-president and secretary of the new company.

Union Mutual Fire in the past has written considerable general line business that was a by-product of factory mutual activities, but it has not been an official adjunct of the factory mutual system. It has been operated in conjunction with Firemen's Mutual of the factory mutual organization.

Mr. Lord has been with Manufacturers Mutual for 26 years and has been an officer since 1932. Since 1937 he has been manager of Factory Mutual Rating Bureau and has acted for the factory mutual companies in connection with relations with insurance departments.

Mr. Swan has been for 31 years with Union Mutual and Firemen's Mutual.

Exemption Idea Clarified

WASHINGTON—The statement in the Dec. 31 issue regarding recommendations of the House small business committee including "repeal of alleged exemption of insurance companies from anti-trust laws" should have read that Congress ought to give consideration to the re-examination of the exemptions under the anti-trust laws. Presumably, this would include public law 15, although the recommendations do not specify that law.

The committee's recommendations do, however, refer to alleged monopoly in financing, saying: "Monopoly has spread into other financial fields such as insurance and mortgage financing."



R. H. Lord

### R. H. Lord Is President

The directors of the stock company will consist of the presidents of the nine factory mutual companies and Raymond H. Lord, who is resigning as vice-president and secretary of Manufacturers Mutual Fire to become president of the new company.

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## Retroactive Feature in 1949 Building Code

Recognizing many new advances in building practice, the 1949 edition of the national building code recommended by National Board has just come from the press. It will be distributed to municipalities, building officials, schools, colleges, libraries, and to members of the building profession.

The first edition appeared in 1905, and revisions have been made in it every few years. This 1949 edition is the sixth revision. Prior to 1928, it was the only national model code in existence and practically every good-sized municipality used early editions of this code in the framing or revision of their building regulations. Many cities adopted one or another edition of the code in its entirety.

### Composite of Views

"The 1949 national building code is a composite of the views and experience of building officials, the building industry, and the fire protection engineers," W. E. Mallalieu, National Board general manager, states. "It is a practical approach to the building code problem because it will encourage a large amount of standardization; approved American standards and nationally recognized standards of trade associations have been widely used in the code."

The outstanding advance in building code development included in the 1949 code is its requirement that all existing buildings conform to certain minimum requirements for safety-to-life. It defines the structures which require correction and details the manner in which enclosure of vertical openings and other safety measures shall be applied.

"This is an outgrowth of the lessons learned by municipalities in the tragic LaSalle Hotel fire in Chicago and the Winecoff Hotel fire in Atlanta in 1946 which resulted in the loss of about 150 lives," Mr. Mallalieu stated. "Article XIX, which provides what we think are the minimum requirements for reasonable safety to life, has been included as a model requirement for cities who need and want the power to make existing buildings safer."

"Both Chicago and Atlanta had building regulations that generally were excellent, but these laws did not affect the construction of buildings which had been erected prior to their enactment."

### Retroactive Regulations

"Now, however, there is a general feeling among the public for so-called retroactive regulations which can be used to make corrections in existing buildings. Atlanta adopted such requirements as a result of the Winecoff fire, and these have brought about correction of many old buildings. In Hartford, all of the city's 27 hotels have had to make improvements for life safety; many of them were required to install automatic sprinklers."

The new code will be of great value in allowing more economical construction and reduced building costs. It is a performance code and insofar as practicable, within the limits of public safety, allows the use of any materials, type of assembly or style of architecture that meets the required standards of strength, stability and fire resistance.

"This is of utmost importance in these times of acute housing and building shortages," Mr. Mallalieu said. "At a time when the nation needs all the good construction it can get, adoption of this code by a city will give builders more latitude in their choice of materials and types of construction than under many existing building codes."

"We think it fair to point out that the code is not in any sense a fire insurance code, although funds for its research and preparation were provided by the National Board. Our engineers have leaned over backwards to avoid inclusion of any requirement that

might be so construed. The objective of this code is safety to life as well as property, and we have not overlooked requirements for healthful conditions such as for adequate light and ventilation."

Another way in which the code will help ease construction costs is in its recognition of the new modular dimensions being used in the manufacture of many building materials today.

Economies will also be obtained through the recognition of increased allowable stresses in lumber and steel, as a result of advances in quality control and experience in the field.

Another economy factor is the recognition of prefabricated flues, tested and listed by Underwriters Laboratories, in place of the more expensive masonry chimneys. In dwelling construction, use of these flues can result in considerable savings.

### Impregnated Lumber

The code also permits wider use of fire retardant impregnated lumber, through allowing a moderate increase in building areas where such wood is used.

The code gives recognition to the problem of the windowless buildings which are appearing in many cities. With modern air conditioning and lighting, windows are no longer considered necessary or desirable in certain types of buildings; however, a building without windows provides a severe handicap to fire departments by denying access to the fire. The 1949 code covers this problem by requiring automatic sprinkler protection in such buildings.

Another modern type of construction receiving recognition under the 1949 code is the open air parking garage, which is being suggested as one solution for the growing traffic problems of American cities. The code requires them to be of fireproof or semi-fireproof construction.

### Movie Theater Section

The section dealing with motion picture theaters has been brought up to date and the special problem of safety-to-life in the growing number of small theaters and auditoriums that are being built in schools and other public buildings also received attention.

The new code has been edited to facilitate its adoption by reference by any municipality in the nation. Many cities are slow in adopting up-to-date codes, Mr. Mallalieu pointed out, because the preparation of a code requires great research and technical skill by experts not usually available locally, and local laws usually require that it be published in full before it can become effective, a step that would cost the municipality considerable money. The National Board's code contains a model enabling ordinance under which a city may adopt the code, filing three copies with the local city clerk. Many cities have adopted past editions of the National Board's code in this way, he stated.

To facilitate the adoption of the code by reference, the National Board stands ready to supply any city adopting the code with 25 copies without cost, and as many other copies as may be desired for a nominal charge less than cost of publication.

Any person concerned with building construction may obtain a copy of the code without charge from the National Board at 85 John street, New York, 222 West Adams street, Chicago, and Merchants Exchange, San Francisco.

For communities which feel that their needs can be cared for by a briefer code, the National Board will shortly publish an abbreviated edition of the code.

The code contains, in addition to its basic articles which are applicable to

any city, an appendix giving code provisions for hurricane resistant construction. This can be adopted by cities located in hurricane areas, and buildings constructed under these provisions will be able to survive hurricanes with minimum damage.

A table of fire resistance ratings of walls and partitions, column protections, beam, girder and truss protections, and floor and roof constructions, also is included in the appendix. This is said to be the most complete table ever published of fire resistance data for use in connection with building codes.

Other appendices include suggestions for protection against termites, resistance to earthquakes, and footing design and soil tests. A section giving the building code standards of the National Board for heating appliances, air conditioning and blower and exhaust systems is included and also is being published as a separate pamphlet.

The code has been prepared under the direction of the National Board's committee on construction of buildings by Clinton T. Bissell, consulting engineer, and James K. Evans, associate consulting engineer of the committee's staff; by George W. Booth, chief engineer, A. C. Hutson and E. W. Fowler, assistant chief engineers of the committee on fire prevention and engineering standards, and other members of the National Board engineering staff; and by L. H. Provine, head of the department of architecture, University of Illinois and director of the Illinois Fire College, as consultant. Underwriters Laboratories also assisted.

Among the national organizations who contributed suggestions and information include the American Gas Assn., American Institute of Steel Construction, American Iron & Steel Institute, American Wood-Preservers Assn., Gypsum Assn., Metal Lath Manufacturers Assn., National Automatic Sprinkler & Fire Control Assn., National Lumber Manufacturers Assn., Portland Cement Assn., Steel Joist Institute, Structural Clay Products Institute, Theater Owners of America, and Vermiculite Research Institute.

## Mich. Mid-Year Plans Are Made

LANSING, MICH.—Plans are being formulated for the mid-year meeting of Michigan Assn. of Insurance Agents, scheduled for Feb. 23-25 at the Book-Cadillac hotel, Detroit.

Russell A. Bradley, Ann Arbor, association president, and Waldo O. Hildebrand, secretary-manager, are directing preparations for the winter session which usually draws about as large an attendance as the annual fall convention.

An executive committee meeting will open the activities Feb. 23, followed by a dinner session to which are to be invited members of the advisory committee, consisting of past presidents, the committee on laws and legislation, headed by M. Frank McCaffrey, Detroit; presidents of local boards, and all active state committee chairmen.

A business program is slated for the next morning and an "agents only" discussion that afternoon. Gov. Williams is expected to be the speaker at the dinner.

A breakfast conference on education is scheduled for third day with a business production forum following. General liability lines and local board placement of public business will be covered. A luncheon session will close the meeting.

## Independent Auto Men Elect

Fred W. Edwards of Massie & Renwick has been elected chairman of Western Canada Independent Automobile Insurance Conference. Vice-chairman is G. P. Shearer, Wawanesa Mutual; treasurer, D. L. Cameron, Northwest Casualty, and secretary, B. Hodges, Halifax, all of Winnipeg.

## Thompson's Visits Stir C.P.C.U. Activities in South

RICHMOND, VA. — Wayne W. Thompson, assistant dean American Institute for Property & Liability Underwriters, addressed a dinner meeting here, the first in a series sponsored by the educational committee of Virginia Assn. of Insurance Agents under direction of Theo. W. Kelley, chairman and past president.

Mr. Thompson explained the C.P.C.U. program. As a result of his visit, plans are being perfected for arranging a study group of agents in this area to pursue the C.P.C.U. course. So far, only two Virginia insurance men have won the designation. They are Edgar N. Taylor, branch manager of Aetna in this city, and Fred M. Davis of Davis, Childs & Co., Lynchburg.

Among guests was F. B. Miller, dean of the evening school of business administration at University of Richmond, one of those designated for giving C.P.C.U. examinations. Mutual and stock agents and company representatives within a radius of 60 miles were present.

## SEVERAL TALKS IN ARKANSAS

LITTLE ROCK—Wayne W. Thompson met with C.P.C.U. candidates here and consulted with fire and casualty men on problems connected with establishment of a statewide education program through the local agents' association. He led a two-hour round table on study group problems and related matters.

Dean Thompson met Sunday with the joint seminar committee of agents and field men to discuss basic plans for the University of Arkansas insurance seminar at Fayetteville in August, sponsored by the college of business administration, Arkansas Assn. of Insurance Agents, Arkansas Fieldmen's Club and Casualty Assn. Dr. W. A. Guin, professor of insurance at University of Arkansas, was present. The joint committee is headed by Gaylon Brown, Fort Smith local agent, and Manager Miles O. Moore, Jr., is secretary.

The dean also attended Arkansas Field Club's luncheon meeting and talked briefly.

## FORM CLASS AT NASHVILLE

NASHVILLE—Following addresses before Nashville Insurance Exchange and before representatives of Tennessee Assn. of Mutual Insurance Agents by Wayne W. Thompson, a C.P.C.U. class is being formed, with examination to be held at Vanderbilt University in June. Mr. Thompson conferred at Knoxville with Professor Crowbar of the business administration school, University of Tennessee, on plans for establishing C.P.C.U. classes throughout the state with the aid of the university. He also spoke to Memphis Assn. of Insurers.

Atlantic Mutual and Atlantic Mutual Indemnity have elected E. Myron Bull, president of A. H. Bull & Co., a trustee of both companies. He also is president of Bull Steamship Line, Baltimore Insular Line and Ericsson Line.

## Heads Farm Unit



John P. Munson, the new farm superintendent in the western department of the Fireman's Fund.

January 13, 1949

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## S. H. Quackenbush Dies at Freeport

Samuel H. Quackenbush, who retired in 1946 as western manager of Westchester Fire and senior assistant western manager of Crum & Forster, died Monday morning at Freeport, Ill. His health had been uncertain for some time and last Saturday he was removed to hospital.



Mr. Quackenbush

Mr. Quackenbush was nearing his 76th birthday and at the time of his retirement he had been in the fire insurance business 55 years. He was born at Troy, N. Y., March 7, 1873. He started in the business in 1891 at the New York head office of Northern Assurance. Later he traveled in the New Jersey field for that company and in 1898 became connected with the Weed & Kennedy general agency of New York. For that organization he supervised the underwriting of middle department business. Weed & Kennedy then operated as general agents for numerous companies.

When Aachen & Munich withdrew from the Weed & Kennedy office, and J. A. Kelsey became its U. S. manager, Mr. Quackenbush went with Aachen & Munich as special agent. Subsequently he became superintendent of agencies in the New York office and in 1911 became assistant U. S. manager.

In 1917 Mr. Quackenbush went with Royal as general agent at New York. He later became branch secretary and in 1921 he was converted into a middle-westerner, becoming assistant western manager of Royal at Chicago. Later he was advanced to deputy manager in the west. His connection with Westchester and Crum & Forster dated from 1926.

Mr. Quackenbush was a man of outstanding underwriting judgment, of superior intellect and personal charm.

## Fireman's Fund Has Field Parley at San Francisco

Field men of Fireman's Fund from throughout the Pacific and mountain states gathered at San Francisco this week for their 1949 conference.

President James F. Crafts reviewed the results of 1948 operations and discussed future plans at the opening session, which was under the general supervision of Raymond L. Ellis, vice-president. Also scheduled on the opening session were Royal A. Roberts, associate professor of business administration at University of California, and Thomas Stewart of General Adjustment Bureau.

Also taking part in the conference were Maynard Garrison, vice-president, and Fred H. Merrill, vice-president and financial secretary.

Following the opening day meetings, the men assembled with departmental heads to discuss underwriting and production techniques. In charge of these individual departmental meetings were Hugo H. Methmann and L. S. Gregory, assistant vice-presidents, and Woodward Melone, assistant marine secretary.

Among the special guests were Leonard T. Backus, manager of the southern California department; Richard T. Saunders, manager marine operations, northwest branch, Seattle; Edward A. Valentine, marine manager at Portland office; John T. Even, assistant manager at Chicago; Albert E. Treiber, manager of the fire department, Los Angeles; Larry Bulkley, marine manager, Los Angeles, and George W. McKay, casualty manager at Los Angeles.

## Open Weather Helpful

The open weather that has prevailed throughout much of the north until this

time has been a boon to automobile insurers. The underwriters recall the contrast with last year when much of the country was struck with heavy weather commencing at about Thanksgiving time. The comparative lack of ice on the streets so far has spared the insurance companies many a dollar.

## To Enter More States

Union Fire of Lincoln, Neb., now operating in Nebraska, Colorado, Wyoming, South Dakota and Iowa, plans to enter three additional states, Kansas, North Dakota and Texas.

## Six to High Posts with Atlantic Mutual

Six new officers have been named by Atlantic Mutual group.

Charles E. Cowley, claims manager of Atlantic Mutual Indemnity, has been named casualty secretary of that company, Atlantic Mutual, and Centennial. John G. Berenz, automobile department manager, has been appointed assistant secretary of the three companies, and Robert M. Perce and Walter Behan, production manager and metropolitan

manager respectively, have been named officers of the companies.

Philip F. Ruth, fire agency manager, has been named assistant secretary of Atlantic Mutual and Centennial, and Joseph Boyce, liability and compensation department manager, has been named assistant secretary of Atlantic Mutual Indemnity.

## Flaherty Now Secretary

Joseph P. Flaherty, formerly manager of Home at Philadelphia, has been given the title of local secretary. He started with Home in 1920.

# How

## FIREMAN'S FUND

**New Basic Equity Program makes it easy to sell...**

# A & H



**SIMPLER:** Provisions of all coverages have been reduced to the simplest terms... straightforward... easy to prescribe. Your client knows what he's getting and gets what he wants.

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**FIREMAN'S FUND HAS THE ANSWER**

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PERMANENCE  
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**Dauwe Special Agent**

CINCINNATI—B. G. Dauwe, a solicitor with James R. Milliken & Co. agency, has been appointed a special agent to specialize in casualty and bond production throughout the territory served by the agency as general agent of Fidelity & Casualty. He continues also as a solicitor. He has had 27 years experience in the business.

**Va. Bars Travelers Health**

RICHMOND—The supreme court of appeals of Virginia has affirmed an order of the state corporation commission di-

recting that Travelers Health of Nebraska cease offering, advertising, promoting or selling insurance or membership certificates in Virginia until it obtains the permit required by the Virginia securities act. The high court thus rejected the company's contention that it conducted no business in Virginia but operated wholly outside the state through the mails.

**Insurance Share 3 3/4%**

SPRINGFIELD—Insurance taxes and fees bring in 3 3/4 cents revenue for every tax income dollar received by the state of Illinois.

**Merge Royal-Liverpool Tenn. Fire, Casualty Operations**

NASHVILLE, TENN.—Fire and casualty operations of Royal-Liverpool in Nashville have been consolidated, with H. D. Forrester, regional manager of the fire companies, to serve as regional manager of the casualty companies. J. J. Futrell, special representative in Tennessee, becomes casualty manager for Tennessee and Kentucky. Walter J. Hemer of the New York staff has been transferred to Nashville as a casualty underwriter.

**Announce Schedule for Far West Conference in April**

The Far West Agents Conference, meeting for the first time this year under the new plan of conducting regional midyear meetings of National Assn. of Insurance Agents, will be held the first week of April at the Fairmont hotel, San Francisco. Kenneth L. Nehring, Tucson, is conference chairman.

N.A.I.A. national board of state directors also will conduct its midyear meeting the latter part of that week. The program will be: April 4-5, business sessions of the Far West Conference; April 6, state contact committees meeting with their advisory committees; April 7-9, state directors and special events.

The California association will be host and will be in charge of all arrangements.

**J. K. Tilton Forms Firm**

John K. Tilton announces that he no longer has any connection with the Florida insurance department and that Jesse F. Warren, Jr., formerly assistant attorney general of Florida, is now associated with him in the practice of law under the firm name of Tilton & Warren. Mr. Tilton has been closely associated with Commissioner J. E. Larson of Florida, who is president of N.A.I.C., and has accompanied him to numerous commissioners' meetings throughout the country.

**New Excess Re. Members**

Fireman's Fund, Indemnity of North America, Reinsurance Corp. of New York and St. Paul F. & M. have become new subscribers to Excess Reinsurance Assn., bringing the total membership to 17 insurers. Excess Reinsurance is under the direction of Excess Management Corp. which, at the end of 1948, had in force contracts producing premiums of more than \$27 million.

**New Company at Calgary**

A new company has been formed at Calgary, known as the North Land Fire. It has capital of \$500,000 and will write all lines except life. J. E. Dawson, Great Falls, Mont., president of Rocky Mountain Fire, is one of the incorporators.

**Pittsburgh Conference Elects**

Pittsburgh Fire Loss Conference has elected new officers for 1949, they being:

**New Operating Head of Preferred Fire of Topeka**

A. C. Reed is the new executive vice-president and operating head of Preferred Fire of Topeka, taking the place of O. G. Colwell.



President, Douglas W. Rodda, National Union Fire; vice-president, D. E. Hubbard, Keystone Adjustment Corp., and secretary-treasurer, W. C. Zieg, independent adjuster.

This group was organized only a few months ago and is conducting monthly meetings to discuss fire and allied lines.

**Lake County Group Elects**

GARY, IND.—Lake County Insurance Agents Assn. has elected as president, Kenneth MacLennan, past president of Gary Insurance Board. Harold Kinney, East Chicago, is vice-president; T. A. Robbins, Gary, treasurer, and Allen O'Rourke, Hammond, secretary.

The Canadian business of National of Paris was taken over Jan. 1 by National Fire & Casualty of Montreal. J. A. Blondeau is president and managing director.



ONE THING  
TO "BELIEVE"  
—ANOTHER TO  
"KNOW"

The fire loss adjuster  
asks — "What did you  
have? What was it worth?"  
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backed by proof. Are you  
ready for him?

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Company

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Barranquilla  
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Medellin

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## Rain & Hail Bureau Promotes Five

Rain & Hail Insurance Bureau has made a number of field personnel and operational changes.

H. L. Bunker has been appointed superintendent of the Pacific division succeeding C. F. Laude, who is transferring to Chicago as assistant manager. Mr. Bunker will move the Pacific division headquarters from Spokane to California and the new territory will act also as service office for Arizona.

Mr. Bunker started with the bureau in 1926 and has been a special agent in Montana at Great Falls for 22 years.

George S. Hansen, special agent at Minneapolis, has been appointed superintendent of the Minnesota-Dakotas division. He started with the bureau in 1925 on a part time basis and was appointed special agent the following year.

A. H. Post, who has been special agent at Omaha since 1926, has been appointed superintendent of the Nebraska-Colorado division with headquarters at Omaha.

Robert B. Murray has been named special agent in charge of the Great Falls, Mont., office to succeed Mr. Bunker. He has been with the bureau for a year as special agent, assisting Mr. Bunker.

R. G. Airey has been appointed special agent in charge of the Spokane office servicing Idaho, Nevada, Oregon, Utah and Washington. Mr. Airey has been assisting Mr. Laude at Spokane and has been with the bureau since 1937.

## Buswell and Brennan Are Advanced by America Fore

America Fore has appointed Frederic G. Buswell general adjuster and William L. Brennan assistant general adjuster for the fire companies.

Mr. Buswell is a graduate of Stevens Institute of Technology. Before joining America Fore in 1926 he had been with Westinghouse Electric Co. at Pittsburgh and General Adjustment Bureau at Philadelphia. He was Newark staff adjuster with America Fore from 1926 until 1945 when he went to the home office as assistant general adjuster.

Mr. Brennan joined Continental in 1916 and was in several departments before joining the loss department in 1923 as a staff adjuster operating out of the home office. In 1935 he was appointed adjuster in charge of inland marine losses.

During the first war, Mr. Brennan saw service in France.

## America Fore Field Roundup

America Fore will hold its western department roundup Jan. 18-19 with headquarters at the La Salle hotel, Chicago. E. A. Henne, vice-president, will be in general charge and there will be a number of officials attending from the home office. One of the speakers will be Frank Ennis, advertising and publicity manager.

There will be about 300 at the dinner which will be followed by professional entertainment.

## Would Transfer D. C. Department

WASHINGTON—Rep. Auchincloss' bill for reorganization of the District of Columbia government has been reintroduced. It would abolish the present department of insurance and transfer its functions to a proposed new local department of commerce. The bill proposes to create a bureau of insurance to administer, under the direction and supervision of the director of the com-

merce department, the functions that would be transferred. This provision is reported to meet objections raised by insurance interests a year or so ago.

## Plans for Macon Inspection

At the Missouri Fire Prevention Assn. inspection of Macon Jan. 19, Richard C. Budlong, editor of "Local Agent," St. Louis, will be the dinner speaker. The local chairman is James C. Patrick.

Albert M. Fenster has been named treasurer of Fenster Brothers-Fleischman, Albany, N. Y. agency.

## Springfield Offers New Mexico Service

Springfield F. & M. is establishing a field office at Albuquerque, N. M., with Arthur F. Riegler as state agent for New Mexico and for a part of southern Colorado. The office is at 302½ West Central avenue. Mr. Riegler has been in the business about 20 years at Chicago except for a period of army service. He has been in the western department of Springfield for the past

year. Prior to that he was with Fireman's Fund and still earlier with Hartford Fire.

State Agent Henry F. Collins who has heretofore looked after Colorado, Wyoming and New Mexico with headquarters at Denver, will now confine his attention to the mountain territory other than that for which Mr. Riegler has become responsible.

Mr. Riegler is traveling in his new territory this week with Mr. Collins and next week he will be accompanied by Secretary Roy Wessendorf from the Chicago western department.



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## Set Dates for Mutual Agents National, State Meetings

WASHINGTON — Philip Baldwin, executive secretary of National Assn. of Mutual Insurance Agents, has announced that the mid-year meeting will be held at Haddon Hall, Atlantic City, May 23-25, and the annual convention at the Congress hotel, Chicago, Oct. 10-12.

Mr. Baldwin also announced dates for several of the state association meetings as following: April 15-16, Alabama, Montgomery; April 18-19, Arkansas and Tennessee, Peabody hotel, Memphis;

April 25-26, New York, Hotel Syracuse, Syracuse; May 2-3, Tri-State association, Southern hotel, Baltimore; May 9-10, Virginia, D. C., Fredericksburg, Va.; May 12-13, Ohio, Neil House, Columbus; June 10-11, North Carolina, Mayview Manor, Blowing Rock, N. C.

## Garment Contractor Problem

Inland marine underwriters of garment contractors' floaters are concerned over a new attempt of truckmen in that field, scheduled to start Jan. 1, to get shippers to sign releases limiting the liability of the truckmen to \$50 a shipment unless greater value is declared by

the shipper and paid for at the rate of 10 cents for each additional \$50 value.

A committee of Inland Marine Insurance Bureau is working on the problem and is expected to come up with a revised policy early this year. At the same time it is expected that the bureau will take control of the coverage on the transit hazards covered in the policy. Until now this has not been regulated.

## Opens New Claims Office

General of Seattle group opened a new claims office at Bellingham, Wash., with Dean Cooper, formerly manager of the Yakima office, in charge. William Ries, who formerly handled claims in the Bellingham territory out of the metropolitan department office in Seattle, is now in charge of claims in the Everett territory.

Robert Bacon, who at one time was in charge of the Yakima claims office and more recently manager of the Denver claims branch, has returned to Yakima as manager of that branch.

## Free Ford for Financing

Commenting on the recent U. S. Supreme Court order lifting a 10-year ban on establishment by Ford Motor Co. of its own finance company, Henry Ford II, says, "The supreme court has given us the go-ahead to return to car financing business, but we don't plan to do it unless competition forces us to."

## Atlantic Mutual History

Atlantic Mutual has just published an engaging pamphlet which gives a brief history of the Atlantic companies, under the title "Atlantic Sails the Sea." On the front cover is a colorful sailing card that was reproduced from one of the large collection owned by Seamen's Bank for Savings. This is meant primarily for distribution to agents and brokers. The company traces its beginning to 1824 as Atlantic Ins. Co., a stock company. The mutualization was accomplished in 1842 at the urging of the policyholders.

William P. Welsh of Pasadena, former president of National Assn. of Insurance Agents, in his capacity as member of the executive committee of Tournament of Roses Assn. has been quoted by newspaper sports writers in their post mortems on the Northwestern-California Rose Bowl game. For instance W. C. Heintz in the New York "Sun" said that Mr. Welsh was the only man of official standing that was quoted after viewing photographs of the disputed touchdown by Northwestern's Murakowski as expressing the belief that the outcome of football games should be decided in photographic dark rooms. "The camera tells the story," Mr. Welsh was quoted as declaring. He said that no protest will be filed but declared "It is unfortunate and you just feel awfully badly."

Carl L. Brandt, secretary of the Philadelphia department, on his 30th anniversary with North British & Mercantile, was honored at a testimonial dinner by the staff. Secretary John L. Magenheim, representing the New York executive offices, attended the dinner and presented Mr. Brandt a wrist watch. Mr. Brandt has been secretary at Philadelphia for the past year. Most of his 30 years with North British have been in the middle department.

The Stoddart agency of Beaver Dam, Wis., having represented State of Pa. 25 years, was presented with that company's official certificate and State Agent Jack Brushingham entertained Mrs. K. Stoddart, R. V. Krueger and Mr. and Mrs. Elden Elsesser at dinner.

Charles F. Schuler, Muskegon, Mich., who has just retired as Muskegon county clerk, has joined Robert J. Caughey in the former Rlordan-Caughey agency which is to be known as Caughey-Schuler. He was with the agency staff before his election to the office in 1936.

## Michigan Millers Advances Several Staff Men

LANSING, MICH. — B. L. Hewes, who has been agency supervisor outside of Michigan for Michigan Millers Mutual Fire of Lansing for two years, has been advanced to vice-president. He will continue in similar work.

D. P. Robinson, former assistant secretary, has been made assistant vice president, and Paul J. Baker, engineer, also has been advanced to assistant vice president and becomes assistant manager of the affiliated Mill Mutuals Agency. G. E. Porterfield, formerly assistant treasurer, has been named assistant secretary-treasurer.

## Jesse White Is Chairman

Jesse L. White of Mississippi has been appointed chairman of the fire insurance committee of National Assn. of Insurance Commissioners and Frank Viehmann of Indiana is named vice chairman.

Herschel H. Bowyer, 52, Travelers agent for 20 years in Cincinnati, died there after several months illness. He attended Denison University and specialized in general insurance.

## INSURANCE POSITIONS

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Agency Mgr.—Texas	\$600
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Comp. Undtr.—Ill.	\$500
Claim Examiner—Conn.	\$450
State Manager—Ohio	\$450
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Fire Undtr.—Ill.	\$400
Fire Pre. Engineer—Ohio	\$350
Cas. Sp. Agent—Ind.	\$350

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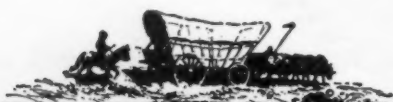
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SENTINEL FIRE INSURANCE COMPANY . . . SPRINGFIELD, MASS.  
MICHIGAN FIRE AND MARINE INSURANCE COMPANY . . . DETROIT, MICH.  
NEW ENGLAND FIRE INSURANCE COMPANY . . . SPRINGFIELD, MASS.

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Superior	Duluth	St. Paul	St. Louis
Los Angeles	Phoenix	Seattle	Portland
Vancouver	Montreal	Havana	London

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## Make Another Try for Multiple Location Solution

### Committee Is Named to Confer with N. Y. Department on Problem

The governing committee of New York Fire Insurance Rating Organization has appointed a special subcommittee to confer with the insurance department on the multiple location risk problem. The companies are anxious to learn what it is that the department wants in the way of a solution to the problem. The decision handed down by Deputy Superintendent W. F. Martineau last week does not resolve all doubts in the minds of the industry, but as a matter of fact creates some new ones, according to insurance men.

For example, Mr. Martineau refers to allowances of 2½% for profit and 1% for catastrophe, but the industry never has accepted, according to observers, that New York modification of the 1921 profit formula. That formula itself is now the subject of discussion between commissioners and insurers, and the fire people do not want to deal with the issue in the multiple location risk interchange.

The department ordered N.Y.F.I.R.O. to start a cost study forthwith on the multiple location class, but the industry points out that the rating organization doesn't have the authority to make such a study. Even if the companies agreed to furnish the figures to the organization, the question needs to be settled that this does not establish a precedent under which the companies would be subject to a similar call on any one of more than 100 additional fire classes.

The companies think they are entitled to 60 days on the Oct. 28 filing, under the law, from the date of the decision disapproving it, Jan. 5. The department disapproved the filing and would not permit it to become effective.

The decision refers to form A as applying to risks with five or more locations, intrastate. Industry men point out this form applies to risks with more than one location and less than five, intrastate or interstate.

The Oct. 28 filing was described in the decision as the "Escott plan," referring to an industry committee headed by Ivan Escott, vice-president of Home. That committee met last week in anticipation of an unfavorable department ruling and discussed the situation. Some executives, it became apparent, have swung over to acceptance of the idea of a debit-credit approach to the underwriting of the class.

### Spillard Slated Jan. 20

W. M. Spillard, veteran special agent in the arson division of National Board, Chicago, will address the dinner meeting of Assn. of Fire Insurance Examiners of Chicago Jan. 20 at Chicago Engineers Club.

### Maddams General Manager

Glens Falls Indemnity and Glens Falls have appointed Thomas E. Maddams general manager of the New York office, succeeding W. J. Adams, who has retired under the companies' pension plan. F. W. Tillotson was named manager of the Glens Falls' New York branch office operations.

Mr. Maddams after 10 years' experience as a local agent, joined Glens Falls Indemnity in 1934 in agency development and underwriting work for suburban New York and northern New

Jersey. In 1937 he was appointed agency supervisor of New York City territory. In 1943 he became manager at Newark where he has been since.

Mr. Tillotson joined Glens Falls as special agent in 1928. In 1936 he became manager of the service department in the New York office and eight years later assistant manager in charge of fire operations.

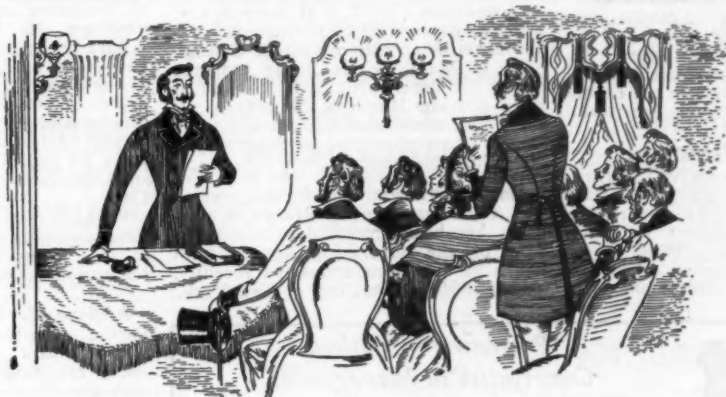
W. S. Keese, Jr., of Trotter, Keese & Boyd, has been elected president of Chattanooga Chamber of Commerce.

### Two St. Paul Promotions

Thomas McDonnell has been appointed manager of the casualty department in the eastern division of St. Paul-Mercury Indemnity and J. W. Midgley as marine department supervisor of St. Paul F. & M., at New York. Mr. McDonnell has been with the companies 13 years, four at the home office and the remainder as special agent. He has been in the eastern department since 1947. Mr. Midgley has been with the companies since the eastern department was organized in 1946 and prior to that

was with A. F. Shaw & Co., general agents, 17 years as inland-marine underwriter.

Leo J. Buettner, general agent, Johnstown, Pa., was feted on the "Breakfast in Hollywood" program Jan. 5. A local business man wrote to the producers of the program describing Mr. Buettner's activities. This letter was read over a national hookup and the local radio station broadcast the personal presentation of the orchid to Mr. Buettner who is very active in local civic affairs.



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GLENS FALLS INDEMNITY CO.

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MODERN MANAGEMENT TEMPERED BY TIME

## Aetna Fire Officials Advanced

Aetna Fire has elected two new vice-presidents and five new secretaries. Advanced to vice-president were Secretaries G. Harold Grant and Tudor Jones. The following assistant secretaries were promoted to secretary: Douglas F. Kersheman, E. Harry Stover, Sidney S. Perry, Leonard B. Bogart, and Richard M. Hooker.

## McCormack Ga. Examiner

Retiring Tennessee Commissioner James M. McCormack has been appointed an examiner in the Georgia department. His first assignment reportedly calls for participation in the examination of Ins. Co. of North America.

## Morrow, Bodet Promoted

Home has elected John W. Morrow, who was marine secretary, as assistant vice-president and Robert G. Bodet, foreign manager, to assistant secretary. Mr. Morrow started with Home as an ocean cargo underwriter in 1923, and seven years later was made manager of

the marine department. In 1936 he became assistant secretary and in 1943 marine secretary. Mr. Bodet joined the company in 1939 as foreign inspector, later become a supervisor. He has been foreign manager since 1947.

## Correction on E. E. Munn

In connection with the windstorm loss of Bradley Lumber Company at Warren, Ark., reported in THE NATIONAL UNDERWRITER last week, it was erroneously stated that E. E. Munn who went to Warren in the interest of Marsh & McLennan was connected with T. J. Houston & Co., Chicago. Mr. Munn has no connection with T. J. Houston & Co., which is an independent adjusting firm. Mr. Munn is an employee of the Chicago office of Marsh & McLennan assigned to the fire department, and his function is to provide Marsh & McLennan assured specialized and uniform assistance in the preparation and settling of fire and allied line losses.

David C. Gibson, who for many years was a vice-president of Maryland Casualty, has been promoted to vice-president of the advertising agency with which he has been connected recently, that of J. M. Mathes, Inc. of New York.

## Jack McKenzie Returns to Former Post in Arkansas

Jack G. McKenzie is returning to his former position of arson representative



Jack G. McKenzie

in Arkansas for National Board of Fire Underwriters, after serving with distinction for four years as Arkansas insurance commissioner. This was the position that he held from 1938 until becoming commissioner. Mr. McKenzie attended University of Kansas and got a law degree in 1925 from Cumberland University. After practicing law for several years he became chief assistant in the state fire marshal's office at Oklahoma City.

With National Assn. of Insurance Commissioners he served as chairman of zone 5 and as chairman of the fire prevention committee.

Addison C. Posey, manager of the Pacific department of Hartford Fire and Hartford Accident at San Francisco, celebrated his 25th anniversary with the Hartford A. & I. He graduated from University of Santa Clara in 1911 and joined Hartford in the surety department in 1924 and was appointed resident manager of the San Francisco metropolitan department of Hartford A. & I. in 1926. He became assistant manager of the Pacific department of Hartford Accident and Hartford Fire in 1934.

## Convention Dates

Jan. 31-Feb. 2, H. & A. Underwriters Conference, midyear, Hotel Stevens, Chicago.

Feb. 23-25, Michigan agents, midyear, Book-Cadillac Hotel, Detroit.

March 14, Insurance Advertising Conference, spring meeting, Roosevelt Hotel, New York.

March 14-15, Eastern territorial conference of N.A.I.A., Lord Baltimore Hotel, Baltimore.

March 23-24, Midwest territorial conference of N.A.I.A., French Lick, Ind.

March 25-26, Southern territorial conference of N.A.I.A., Sheraton-Bon Air Hotel, Augusta, Ga.

April 1-2, Rocky Mountain territorial conference of N.A.I.A., Broadmoor Hotel, Colorado Springs.

April 7-9, Far West territorial conference of N.A.I.A., and midyear meeting of N.A.I.A. National Board of State Directors, Fairmont Hotel, San Francisco.

April 21-22, Minnesota agents, midyear, Radisson Hotel, Minneapolis.

April 27-29, Louisiana Agents, annual, Edgewater Gulf Hotel, Edgewater Park, Miss.

May 16-18, American Assn. of Managing General Agents, annual, Commodore Hotel, N. Y.

May 16-18, H. & A. Underwriters Conference, annual, Edgewater Beach Hotel, Chicago.

May 16-19, National Fire Protection Assn., annual, Fairmont Hotel, San Francisco.

May 20-21, Texas agents, annual, Houston.

May 23-25, National Assn. of Mutual Insurance Agents, midyear, Haddon Hall, Atlantic City.

May 26-27, American Management Assn., insurance conference, Hotel Statler, New York.

June 24-30, National Assn. of Insurance Commissioners, annual, Olympic Hotel, Seattle.

J. Guy Richardson, 55, a partner in Torrington, Conn., agency of Mallette & Richardson, died at New York. His partner, the late Ennis B. Mallette, died recently at Boston. The firm was at Boston until 1941.

Funeral services were held at Hartford this week for William P. Molloy, who was Connecticut state agent for America Fore. He had been with the group for 25 years and was state agent for some years. He was 61.

In 1939 Mr. Posey was elected vice-president and transferred to the home office. In 1946, he returned to San Francisco and assumed his present duties in the capacity of vice-president of Hartford Accident, and manager of Hartford Fire.

Mr. Posey was the recipient of a number of floral tributes from his associates.

## Truman Calls Another Highway Safety Conference

WASHINGTON—President Truman has called another highway safety conference to be held here June 1-3. He noted that while some states are hampered in carrying out the 1946 conference action program through lack of authority, personnel or funds, the meeting of 44 state legislatures this year will afford opportunity to adopt new measures. This is one factor that pointed to the need of another conference, he said.

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## Leder U. S. A.

Jerome L. Leder, 44, years in capacity with U. S. Aviation, dates back to 1914. He was appointed aer U. S. airman of the engineering University. He was an engineer in 1940 he took over the civil aeronautics later was named the president of the Institute also consulted air force and for the strategy.

Mr. Leder in the Operation and "Code" a member In his new as director

**Slate Tr**  
At the J. York City Seattle, mo be honored mately 25 project co constituted roon & Re; port on the

**A. K. Blac**  
Andrew I. Phoenix of retiring from will be s Charles F. Mr. Black years. He time at Cap Supervisio northern N hands of S and Special Newark. I merly had pervision o

By H. W. Co., 135

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## Lederer Joins U. S. Aviation

Jerome Lederer, who was for many years in an executive engineering capacity with Aero Underwriters, has been appointed technical adviser for U. S. Aviation Underwriters.

Mr. Lederer's aviation experience dates back to 1926 when he was appointed aeronautical engineer for the U. S. airmail service. He is a graduate of the engineering college of New York University. With Aero he was chief engineer and later assistant general manager in charge of engineering. In 1940 he took a leave of absence to become director of the safety bureau of civil aeronautics board and two years later was named executive assistant to the president of the Airlines War Training Institute. During the war he was also consultant on operations for the air force and a bombing research analyst for the strategic bombing survey.

Mr. Lederer is the author of "Safety in the Operation of Air Transportation" and "Code of Safe Operations." He is a member of many aviation societies. In his new position he will continue as director of Flight Safety Foundation.

## Slate Trenbath at N. Y.

At the Jan. 26 meeting of the New York City Blue Goose, E. W. Trenbath, Seattle, most loyal grand gander, will be honored and will speak. Approximately 25 will be initiated, and the project committee, now permanently constituted with George Vail, Jr., Corroon & Reynolds, as chairman, will report on the educational program.

## A. K. Black, Jr., Retires

Andrew K. Black, Jr., state agent for Phoenix of Hartford at Pittsburgh, is retiring from active duty March 1, and will be succeeded by State Agent Charles F. Kappert.

Mr. Black has been with Phoenix 55 years. He expects to pass much of his time at Cape Cod.

Supervision of Equitable F. & M. in northern New Jersey is now in the hands of State Agent Roger S. Henry and Special Agent Robert E. Klie of Newark. F. W. Creighton, who formerly had this assignment, retains supervision of the company in southern

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, Jan. 10, 1949

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Aetna Casualty	3.00*	79	81
Aetna Fire	1.80*	49	50
Aetna Life	2.50*	54	55
American Alliance	1.10*	22	23
American Auto	1.20	45	46 1/2
American Casualty	.80	10 1/2	11 1/2
American (N. J.)	.70	17 1/2	18 1/2
American Surety	2.50	62	63
Boston	2.40	63	65
Camden Fire	1.00	20 1/2	22
Continental Casualty	2.00*	51 1/2	52 1/2
Fire Association	2.50	59	60
Fireman's Fund	2.50	83	84
Firemen's (N. J.)	.50	15 1/2	16 1/2
Glens Falls	2.00*	49	50
Globe & Republic	.50	10 1/2	11 1/2
Great Amer. Fire	1.30*	32 1/2	33 1/2
Hanover Fire	1.20	32	33
Hartford Fire	2.50*	119	121
Home (N. Y.)	1.30	29 1/2	30 1/2
Ins. Co. of North Am.	3.50*	105 1/2	106 1/2
Maryland Casualty	.50	14 1/2	15 1/2
Mass. Bonding	1.60	26 1/2	28
Merchants Fire, N. Y.	1.15*	30	32
National Casualty	1.25*	24	25
National Fire	2.00	50	52
New Amsterdam Cas.	1.20	30 1/2	31 1/2
New Hampshire	2.00	42 1/2	43 1/2
North River	1.00*	25	26
Ohio Casualty	.80	48 1/2	49 1/2
Phoenix Conn.	2.00*	83 1/2	84 1/2
Preferred Accident	.30*	33 1/2	34 1/2
Prov. Wash.	1.40*	33 1/2	34 1/2
St. Paul F. & M.	2.25*	76	78
Security, Conn.	1.40	33	34 1/2
Springfield F. & M.	1.90	44 1/2	45 1/2
Standard Accident	1.45	31 1/2	32 1/2
Travelers	22.00*	620	630
U. S. F. & G.	2.00*	50	51
U. S. Fire	2.00	61	62

\*Includes extras.

New Jersey and the Philadelphia metropolitan area.

E. Chipman Farrington is now given the supervision of Kent and Sussex county, Delaware, in addition to his territory of Maryland and District of Columbia for Phoenix and Connecticut Fire. Special Agent John H. Ward, who formerly had this territory for Connecticut Fire, will concentrate his efforts in the Philadelphia metropolitan area.

Walter A. Robinson entered upon his 39th year in the Ohio department Monday in the role of superintendent. He was sworn in by Chief Justice Carl V. Weygant of the Ohio supreme court in the presence of department attaches and friends both in and out of the insurance field. Two score huge bouquets from insurance organizations testified to the esteem in which Mr. Robinson is held by insurance people. He started as a member of the actuarial division

and later became actuary. For the last two years he has been assistant superintendent and for two years before that was known as deputy superintendent. He has served as chairman of the blanks committee of National Assn. of Insurance Commissioners for many years.

The Sacramento Adjusting firm of Lytle & Dunnington has opened a new branch office at 232 West First street, Reno, Nev.

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## Personal Risk in Flying Viewed

Contrary to popular belief, the student pilot is considered by underwriters to be the safest aviation risk, because he is usually scared while learning to fly and always flies under strict supervision of the instructor in the plane, according to Robert J. Glasgow, head of the aviation accident division at Continental Casualty home office. He talked on "Aviation Underwriting Hazards" at a dinner meeting of Chicago Home Office Life Underwriters Assn.

The student pilot does no stunting, and does only what he is told to do. He flies only under the best weather conditions.

However, the most dangerous risk is the private pilot who has just obtained his license. There seems to be

at natural tendency for a person who has just been told he is a full-fledged aviator to take his plane out in all kinds of weather and to take unnecessary risks including stunt flying. After about 100 hours of solo flying the private pilot seems to settle down and be more cautious. For that reason many companies classify a pilot as student for the first 100 hours even though he has a private pilot's license.

Instructors, too, must be considered hazardous risks because of their constant exposure to flying with all types of students. Exposure on the transport pilot of course is the greatest for he flies the greatest number of hours, yet he is considered a better than average aviation risk because transport planes fly only under the best conditions; they are maintained in sound flying shape and whenever not in flight are continually being checked and adjusted, instruments calibrated, etc. Commercial pi-

lots on non-scheduled flights, Mr. Glasgow said, are considered more hazardous risks because they are not maintained in perfect condition and they fly in all kinds of weather.

"Experience on military pilots has been very poor," he said, "and even pilots in the reserve corps are in a doubtful classification." He explained this is due to occasional close formation flying after long absence from the controls.

Mr. Glasgow based his conclusions on underwriting and claim experience on casualty policies, limited to the aviation coverage alone. However it seems apparent that these results may be employed in consideration of applications for life insurance on persons closely associated with aviation.

## John J. Falvey Dies: in Insurance 25 Years

John J. Falvey, Chicago broker for a number of years, who previously for 17 years operated a class 1 agency there under his own name, died in his home at Evanston, Ill., after a short period of semi-invalidism due to heart trouble. Mr. Falvey was found dead in his bed. He had continued to work despite advice of his physician to take it easy.



John J. Falvey

Mr. Falvey for a year had been an office broker with the William C. Danne & Co. agency. He had been 25 years in the insurance business at Chicago. Mr. Falvey, son of a Chicago fire department captain, P. J. Falvey, who was skipper of the "Gypsy," Chicago's first fire boat, started in insurance with Travelers, attending its compensation school.

He was appointed by Travelers as a special representative in Connecticut and after two years was assigned to the Chicago branch as assistant manager of the liability department.

A few years later he joined Continental Casualty and organized the burglary and plate glass department in its Chicago general agency, R. W. Hyman & Co. In 1932 he opened his own office and for 17 years was a class 1 agent.

Mr. Falvey's daughter, Jane, was a star in the movies at Hollywood for sometime, her professional name being Jane Farrar. Subsequently she appeared on Broadway in legitimate productions and a year ago sang with the St. Louis Opera Co.

Services were held Wednesday morning at St. Francis Xavier church at Wilmette.

## Contract Cost Principle Told by Munitions Board

WASHINGTON—Bonds and insurance, including self insurance, are listed as among the items of allowable costs under supply and research contracts with commercial organizations, in a new armed services regulation on contract cost principles issued by the National Military Establishment, munitions board. Pension, retirement, group A. & H. and life insurance plans are likewise listed.

On the other hand non-allowable costs listed in the regulations relative to the above class of contracts include "premiums for insurance on the lives of directors, proprietors or other persons, where the contractor is the beneficiary directly or indirectly."

In the case of research contracts of the armed services with non-profit institutions, the regulation lists among allowable cost items, bonds and insurance, including self insurance, also pension, retirement, group health, accident and life insurance plans, but excludes from that category of cost items premiums on policies protecting "lives of executives

or other persons where the contractor is the beneficiary."

In construction contracts, allowable cost items under the regulation include bonds and insurance, including self insurance, "to the extent authorized by the contracting officer." However, allowable cost items listed under such contracts include pension, retirement, group health, accident and life plans. Premiums on executives' policies are not mentioned in this instance.

## Preliminary License Issued

The Michigan department has issued a preliminary certificate, for organization purposes, to Farm Bureau Mutual of Michigan. Its business will be confined to Farm Bureau members and will include various casualty lines but chiefly automobile. While the organization, under the law, may extend up to 18 months, the rapid progress made by the mutual's promoters indicates that it will be able to ask a permanent license within a few weeks. It will continue its business to Michigan.

## Joint Chicago Luncheon

Those attending the midwinter convention of H.A. Underwriters Conference at Chicago Jan. 31-Feb. 2 will be on hand for the annual luncheon meeting of Insurance Federation of Illinois Feb. 1.

T. F. Heaney, 55, Butte, Mont., local agent, died on train from a heart attack while returning from business trip to Seattle.

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# Answer Questions Under Premium Discount Plan

The following questions and answers relating to the recently announced premium discount program for liability insurance were prepared by National Bureau of Casualty Underwriters for distribution to its members and subscribing companies in New York:

1. Q—Do the premium discount rules apply to the New York premium on every policy for which the policy premium is in excess of \$1,000?

A—The premium discount rules are

Examples	State	Gen. Liab. Standard Premium (3)	% (4)	Premium Discount Amount (3) × (4) (5)	Discounted Premium (3) — (5) (6)
I	New York	\$ 900.00	4.6	\$ 41.40	\$ 858.60
	Others	1,090.00	—	—	1,090.00
	Total	\$1,990.00		\$ 41.40	\$1,948.60
II	New York	\$ 90.00	—	—	90.00
	Others	1,900.00	—	—	1,900.00
	Total	\$1,990.00			\$1,990.00
III	New York	\$ 102.00	4.6	2*	100.00
	Others	1,888.00	—	—	1,888.00
	Total	\$1,990.00		2	\$1,988.00

not optional and must, therefore, be applied to the New York standard premium for every policy on which the premium is in excess of \$1,000, subject to the exceptions in the rules to the effect that (1) premium discount shall not serve to reduce the New York standard premium below \$100, and (2) premium discount shall not apply to any New York standard premium subject to retrospective rating.

\*See exception in premium discount rules, New York, reading as follows:

"Premium discount shall not be applied to the New York portion of the standard premium if such portion is less than \$100. If the New York portion of standard premium exceeds \$100 and application of premium discount would reduce such portion below \$100, a premium of \$100 shall be charged for New York."

2. Q—Is the combination of automobile and general liability insurance, or of subdivisions of such, optional for premium discount purposes?

A—If automobile and general liability insurance are insured under a single policy the combination for premium discount purposes is mandatory. If these coverages or subdivisions thereof are insured under separate policies, the combination may be made subject, however, to the rules governing the combination of separate policies.

3. Q—Is it permissible on a policy covering in New York and in other states to determine premium discounts on the basis of the New York standard premium?

A—For purposes of entering the premium discount table, the total standard premium for all exposures covered under the policy regardless of location must be used and the discount percentage so determined applies to the New York standard premium only.

4. Q—How are the premium discounts applied on a policy covering general liability, buses and private passenger cars in New York only, for the risk illustrated in the following example?

A—For purposes of entering the table, the total standard premium for the risk is \$5,000 and the discounts for the several coverages are shown in Table A.

5. Q—Is it necessary on a policy under which the exposures vary during the policy period to adjust the premium discounts for the risk at the time of each change in exposures?

A—The simplest and most practical way of handling such a risk would appear to be to determine the appropriate premium discounts at the inception date of the policy on the basis of the known exposures to be insured under the pol-

icy, to use such premium discount percentages on subsequent changes during the policy period, and to make a final adjustment of the premium reflecting appropriate premium discounts at policy expiration on the basis of the premium earned under the policy during the policy term.

6. Q—How are the commission tables

Gen. Liab. Standard Premium (3)	% (4)	Premium Discount Amount (3) × (4) (5)	Discounted Premium (3) — (5) (6)
\$ 900.00	4.6	\$ 41.40	\$ 858.60
1,090.00	—	—	1,090.00
\$1,990.00		\$ 41.40	\$1,948.60
\$ 90.00	—	—	90.00
1,900.00	—	—	1,900.00
\$1,990.00			\$1,990.00
\$ 102.00	4.6	2*	100.00
1,888.00	—	—	1,888.00
\$1,990.00		2	\$1,988.00

Kind of Insurance (1)	New York Standard Premium (2)	Premium Discount % (3)	Premium Discount Amount (2) × (3) (4)	Discounted Premium (2) — (4) (5)
General Liability	\$ 500.00	7.6%	\$ 38.00	\$ 462.00
Automobile—Buses	4,300.00	3.3	141.90	4,158.10
Automobile—Private Passenger	200.00	4.9	9.80	190.00
Total	\$5,000.00		\$189.70	\$4,810.30

applied on a countrywide risk including exposures in New York?

A—For purposes of illustration, assume (1) that the risk is operating buses in New York and elsewhere and in addition owns and operates several terminals, (2) that the business comes from a general agent and (3) that the premiums for the risk are as shown below. For purposes of entering the table

the total standard premium of \$21,000 is used and the percentages for the several coverages are applied as in Table B.

7. Q—Does total standard premium mean the policy premium at total policy limits?

A—Yes.

8. Q—May workmen's compensation

States (1)	Kind of Insurance (2)	Standard Premium (3)	Total Production Cost Allowance % (4)	Amount (3) × (4) (5)
New York	General Liability	\$ 600.00	16.4	\$ 98.40
	Automobile—Buses	6,200.00	9.8	607.60
			Sub-total for New York	\$ 706.00
Other State	General Liability	2,300.00	25.0	575.00
	Automobile—Buses	11,900.00	15.0	1,785.00
		\$21,000.00	Sub-total for Other States	\$2,360.00
			Grand Total Production Cost Allowance	\$3,066.00



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Fld. & surety supervising undr., to 38, major ex., \$400 to \$600. Fire rating engr., \$500, compensation adjr., \$300. Inland marine undr., \$350. Gen. Cstry. undr., \$350. Many other openings for experienced men and women.

We place insurance personnel only.  
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CHICAGO'S MOST PROGRESSIVE BUILDING OFFERS TO DISCRIMINATING TENANTS  
OFFICE SUITES 400-400-1800 SQ. FT.  
REASONABLE RENTALS

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AGENTS State 2-9280

## INLAND MARINE ADJUSTER

Wanted by small adjustment firm in Insurance Exchange, Chicago. State age and experience. All replies held confidential. Address S-75, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## FOR SALE

Well established insurance agency in Illinois. Write Box S-84, in care of the National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## FIRE ADJUSTER WANTED

Old established independent adjusting firm has opening for capable fire and auto adjuster to open new branch office. Minimum 7 years experience. No alcoholics considered. Address S-92, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANTED

Experienced fire underwriter and counterpart in Cook county branch of large, well-known group. Excellent opportunity. Write T-4, c/o The National Underwriter, 175 W. Jackson Blvd., Chicago 4.

## FIRE ENGINEER AVAILABLE

Engineer—Broker with good production experience in all lines desires part-time connection in Chicago with agency, company or broker. Address S-96, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## INVESTIGATOR WANTED

by insurance organization. Legal background or some investigative experience desirable. Age 27-37. Must be willing to travel out of Chicago. Work principally fire investigations. Permanent. Write, giving qualifications, experience, approximate salary desired, to Box S-98, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## MARINE UNDERWRITER WANTED

Excellent opportunity for experienced inland marine underwriter with large stock fire group in Chicago. Address S-76, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## CLAIMS

Large General Insurance Agency wants woman to take charge and handle claims. Prefer one with Fire and Automobile experience. Starting salary good, plus Employee benefits. Our own employees know of this ad. Address T-3, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## NEWS OF FIELD MEN

## Announce Blue Goose Deputy Most Loyal Grand Ganders, Committee Heads

E. W. Trenbath, most loyal grand gander of Blue Goose, has announced appointment of five deputy most loyal grand ganders at large. They are: Raymond H. Stebbins, Denver, western states; Eugene F. Gallagher, Detroit, central states; Gilbert A. Dietrich, New York City, eastern states; John C. Leissler, Dallas, southern states; W. H. Bell, Montreal, Canada.

Other deputy most loyal grand ganders are: C. G. Crosland, Calgary; Joseph Greer, Vancouver; W. K. Gallagher, Winnipeg; Stanley W. Duck, Toronto; Merlin W. Donald, Montreal; M. F. Penfield, Portland, Ore.; Ray C. Culver, Helena; Everett M. Northup, Oakland; J. G. M. Berry, Phoenix; Earl J. Neville, Albuquerque; Louis Baron, Honolulu; Thomas W. Caldwell, Jr., Omaha; James H. Buntin, Cedar Rapids; Harry L. Stanley, Sioux Falls; J. Harry Lewis, Jr., St. Paul; E. Paul Carson, Indianapolis; Clarence B. Herrick, Jackson, Mich.; James D. Lecky, Jr., Hamilton, O.; W. W. Ferguson, Milwaukee; Alex B. Young, Kansas City, Mo.; Robert L. Bolling, St. Louis; V. E. Herbert, Topeka; Harry J. Conklin, Chicago; Arthur Seffing, Baltimore; Bernard F. Flood, Parkersburg; Robert F. Goodhue, Philadelphia; Robert F. Moore, New York; James B. Franklin, Jackson, Miss., and Harry N. Taliaferro, Atlanta.

H. O. Wolfe, Milwaukee, has again been named judge advocate. Committee chairmen for the grand nest are: Mr. Wolfe, jurisprudence; August M. Schneider, Los Angeles, constitution and by-laws; C. R. Kerns, Spokane, ritual; G. Emory Moore, Seattle, memorial; Emmet G. Eldridge, Salt Lake City, emblem; Irwin Mesher, Seattle, publicity; Jack C. Neer, Portland, ladies' auxiliary; Joseph R. Knowlan, Philadelphia, employment, and P. M. Winchester, New York City, proportionate representation.

## New York Underwriters Names Elliott in Mo.-Ill.

New York Underwriters has appointed Burgess L. Elliott special agent in eastern Missouri and southern Illinois, to assist State Agent O. W. Schwalter. Mr. Elliott will take over the duties of Special Agent Harold Martin, who has been promoted to state agent in Wisconsin.

For some time Mr. Elliott has been with Western Adjustment. He will have headquarters in the Cotton Belt building, St. Louis.

## Briggs Is Texas Speaker

A. Sidney Briggs, manager of Texas Fire Prevention & Engineering Bureau, was speaker at the January meeting in Dallas of North Texas Field Club. He discussed the functions of the bureau and outlined the work being done by its municipal and cotton gin inspection departments.

The field club will elect new officers at the February meeting. C. H. Kelley, resident secretary of Home, is now president. He has appointed R. U. Wright, New York Underwriters, chairman of the nominating committee.

## Promote Burke, Garrison

Edwin C. Burke has been promoted from special agent to state agent in New Jersey for Automobile, and William S. Garrison, Jr., has been appointed special agent in charge of the office at Asbury Park, N. J.

Mr. Burke went with Automobile in 1940 after graduating at Syracuse university. He served as special agent at Rochester until he went into the army.

Since the war he has been located at Newark as special agent.

Mr. Garrison joined Automobile in 1943 and became special agent at Newark until entering the army. Since the war he has been located at Newark. He was educated at Rutgers.

## G. T. Bennett Takes Over N. H.-Vt. Field for Royal

George T. Bennett has been appointed state agent for Royal-Liverpool in Vermont and New Hampshire, succeeding Arthur E. Ellis, who retired after more than 45 years' service. Mr. Bennett has been associated with Mr. Ellis for some months and will maintain headquarters at 3 Pleasant street, Concord, N. H.

Mr. Bennett graduated from Northeastern University in 1937. His early insurance experience was with the National Board. After serving four years in the navy, he joined Royal-Liverpool in 1945.

Mr. Ellis studied at University of Illinois and at Ohio State University. He became a special agent in Vermont for Queen in 1913. In 1919 New Hampshire was added to his territory, and in 1933, he also became the representative of L. & L. & G., Star and Federal Union.

## Des Autels United Benefit Fire Mich. State Agent

Ray C. Des Autels, who resigned recently as director of agency license division of the Michigan department, has been named state agent in Michigan for United Benefit Fire of Omaha, associated with the Earl B. Brink agency, Detroit.

Darlyle Watters is now acting director of the licensing division.

## Ohio Appointments Made

Fidelity & Guaranty has named H. John Badenhop state agent for northeastern Ohio, with headquarters in the Williamson building, Cleveland.

William L. Venable has been appointed special agent in the Dixie Terminal building, Cincinnati.

## Law Named in South

America Fore has named Ruben B. Law as special agent in Tennessee, assisting J. K. Recktenwall, state agent. Mr. Law was with Alabama Inspection & Rating Bureau from 1937 until 1942 and then served six years in the navy.

## THE CAMDEN FIRE INSURANCE ASSOCIATION IS SEEKING VIRGINIA STATE AGENT

to supervise complete operations of Company. Applicant should have experience in field work and general knowledge of lines written by a Fire company. Written applications invited which will be held in strict confidence. Our employees have knowledge of this advertisement. Address Company, Camden, New Jersey.

## A SPLENDID OPPORTUNITY - - -

for a fully qualified fieldman to represent an old, highly reputable and well established Fire Insurance Company in the State of Wisconsin. Headquarters in Milwaukee. Vacancy created by death of former occupant. To receive consideration, reply must give complete history—education, training, experience, age, salary expected, etc.

Address S-81, care THE NATIONAL UNDERWRITER 175 West Jackson Blvd., Chicago 4, Ill.

His new headquarters will be in the Stahlman building, Nashville.

## Kotecki Named in Illinois

Herbert J. Kotecki has been named special agent in Illinois for Fire Association.

Mr. Kotecki joined Fire Association in 1946 in the western department and for the past two years has received training in the various departments at Chicago. He was in the army during the war.

## Phoenix Names Gustafson

Phoenix of Hartford has appointed Harvey Gustafson as special agent in Ohio. Mr. Gustafson joined Phoenix after military service. His new headquarters will be at Columbus.

## W. Va. Meeting Jan. 19

The annual meeting of Field Club of West Virginia is being held at the Hotel Pritchard, Huntington, the morning of Jan. 19.

## Corroon &amp; Reynolds Roundup

The western division field men of Corroon & Reynolds will be at the head office at New York for the annual roundup for the remainder of the week beginning Jan. 26 and eastern and southern field men will go in beginning Jan. 31.

## Notables to Attend Mich. Rally

Guests at the midyear meeting Jan. 19 of Michigan Blue Goose will be E. W. Trenbath, most loyal grand gander; J. Ray Hull, grand supervisor; and R. A. Kenzel, grand welder. Eugene F. Gallagher, director of special services for Planet, will give the principal address, "Why Blue Goose."

Dr. Hampton Adams, pastor of Union Avenue Christian Church of St. Louis spoke on "Stones of Europe Cry Out" at a luncheon meeting of St. Louis Blue Goose Jan. 10.

## N. E. Advisory Board to Meet

BOSTON—A meeting of New England Advisory Board of New England Assns. of Insurance Agents will be held here Jan. 19. Committees for the summer meeting at Bretton Woods will be named, a liaison committee appointed, report made on the eastern territorial conference at Baltimore, and discussion of the services rendered by the divisional offices of New England Fire Insurance Rating Assn.

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## American Auto Loses Suit to Bar American Auto Club

LOS ANGELES — Federal Judge Beaumont has denied the petition of American Automobile and American Automobile Fire for an injunction restraining American Auto Club, Muller Bros., (Hollywood automobile dealers who seek to organize the club), and others, from using the name "American Auto Club."

The court held that no secondary meaning was established to the name of an insurance company doing business exclusively with agents and brokers; that the retention of the name of an automobile insurance company does not attach to the public and if it does it is in a negligible degree; that there can be no confusion for those in the business and if there is confusion to the public it will be a negligible percentage.

The contention of the plaintiff companies, which they endeavored to establish through the testimony of prominent agents and brokers, was that the name American Auto meant the two plaintiff companies. They will appeal to the circuit court of appeals.

The California department, after hearings approved a reservation of the name "American Auto Club," but nothing has been done toward completing the organization of the club.

## For Permanent Licensing

INDIANAPOLIS — A change from the present system of annual issuance of agents' licenses to the issuance of permanent licenses was suggested to the Indiana insurance survey commission by one of its sub-committees on Tuesday. The 50-member commission, which has been studying changes and recodification of the Indiana code, met as a body on that date to formulate its recommendations to the 1949 legislature.

John D. Pearson, retiring insurance commissioner, pointed out that such a system of permanent licensing has already been adopted in Kentucky and will probably eventually become standard procedure.

## McCarthy Claims Manager

William D. McCarthy has been named claims manager of La Salle Mutual of Chicago. Previously he was associated with John Beverly, insurance attorney there for various companies, handling claim work.

Mr. McCarthy attended Notre Dame and was admitted to the Illinois bar in 1937. He was an assistant state's attorney 1939-1943 in criminal cases. Then he was with State Farm Mutual's claim department in Chicago for two years.

## L. A. Airport Bid OK'd

N. M. Ball & Sons, Berkeley; Harms Bros., Sacramento, and H. Earl Parker, Marysville, Calif., jointly have been awarded the contract by the Los Angeles board of airport commissioners, at a bid of \$3,333,731 for work on an addition to the Los Angeles airport. The contract has to be approved by civil aeronautics administration. Glens Falls Indemnity, through its San Francisco office, will execute the payment and performance bond.

## New Cleveland Setup

New Amsterdam Casualty, in its new Ohio headquarters in the Swift building, Cleveland, occupies an entire floor, designed to its specifications for maximum efficiency, including fluorescent lighting and air conditioning, the area being about twice that which the company occupied in its previous quarters where it had been handicapped for some time.

The Ohio department is in charge of Charles L. Harris, resident vice-president, and N. Parker Berry, manager. The company now writes approximately \$2 million in premiums annually through the department.

The grand opening was participated in by 250 agents and representatives.

From the home office were President J. Dougherty Mahon and Vice-president Elmer J. MacLeod.

## Vagrant Decimal Point

By inadvertence, the reduction in workmen's compensation rates in Tennessee that became effective Jan. 1 was referred to as 19%. The amount of the rate reduction is 1.9%.

## Permanent Plan Approved

In reporting the approval that had been given to the multiple location risk plan filing of North America in Michigan, the statement was erroneously made that this was North America's so-called temporary plan. Actually, it is North America's permanent plan that has been approved in that state.

## LeDoux Smith Forms Agency

LeDoux Smith, who has had an extensive insurance experience in Texas as fieldman, local agent and underwriter, has now established his own agency at 3725 Purdue street, Dallas.

The R. J. King agency, St. Clair, Mo., has been purchased by the Evans & Kitchell agency.

## Testimonial Dinner for Meek on Retirement

More than 75 Indiana field men attended a testimonial dinner in Indianapolis for Homer Meek, retiring Indiana state agent for London Assurance and Manhattan F. & M., sponsored by Indiana Blue Goose. George Mercier, Hanover, was master of ceremonies. Guests from London Assurance included Karl Weipert, manager western department, Chicago, and Walter Meiss, assistant U. S. manager, New York.

Testimonials were given by a number of associates including J. Ray Hull, Blue Goose grand supervisor, who presented him a life membership in the pond, and J. D. Pearson, retiring Indiana insurance commissioner. Mr. Meek is a past M.L.G. of the pond, past president Indiana Fire Underwriters Assn. and trustee Indiana Fieldmen's Relief Assn. Upon retirement to his farm near Greensburg he was presented a camera by associates in the field and a large book of letters and telegrams from company officials, field men and local agents.

John W. Herd, state agent in Kansas and Missouri for Scottish Union & Na-

tional, who recently retired voluntarily after 34 years' service, was guest of honor at a surprise testimonial dinner in St. Louis. Among guests were his two sons, J. Victor Herd, vice-president America Fore group, and Howard Herd, local agent at Columbus. John Newlands, general attorney of Scottish Union and president of American Union, was toastmaster. A wire from the home office conveyed the news Mr. Herd is to be presented a watch, suitably engraved.

A number of notables spoke briefly, including the sons.

## N. J. A. & H. Breakfast

New Jersey A. H. Assn. will hold a breakfast meeting at Newark Jan. 27. The speaker will be Mervin L. Lane, successful producer and manager now operating his own agency in New York City and regular contributor to insurance journals.

Julius L. Ullman, president of New York A. & H. Club, and DeWitt A. Stern, president New York Assn. of A. & H. Underwriters, will be guests.

Sterling of Chicago has entered Idaho to write life and disability insurance. Announcement will soon be made of the appointment of a state agent.



COURTESY N.Y.C. FIRE DEPT.

## FOR MEN ONLY!

*Blazing flames, dangerous fumes and falling timbers are a regular part of the fireman's life. He requires real courage and special training to minimize hazards and reduce loss of life and limb.*

But every day thousands of people take chances with fire through ignorance and carelessness. Unlike the fireman, they are not even aware of the dangers they face and do not have the fireman's special knowledge to protect them.

Pearl American firmly believes that it is the agent's duty to preach the gospel of conservation of property from fire in his daily contact with owners. In a sense, his knowledge of fire prevention parallels that of the fireman. He should not hesitate to use it to help protect his clients and reduce the burning rate of our country's property.

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## EDITORIAL COMMENT

### A Difficult But Important Challenge

Insurance people are aware that the success of the Chicago hospital admission plan calls for continuous performance of the considerable responsibilities imposed upon the insurance company, the hospital and the employer. Because they have much to gain from the success of the plan, insurance men are watching with particular vigilance those points at which they feel negligence or friction might develop.

Perhaps the most important single cog in the whole plan is the contact person who is to be called by the hospital clerk to ascertain whether the applicant for admission is a certificate holder and what his coverage is. Except where the contact is in the office of the insurance company itself, as will be permitted in some cases, the insurer does not have too much control over selection of personnel for this job and can do little more than make recommendations to the assured.

It is the natural inclination of the employer to regard the insurance contact post as a routine clerical duty which can be assigned to an inexperienced or unskilled clerical worker with many other jobs to do. This is what the insurance people will try to forestall. They fear that the contact will be the type of person who drifts from job to job and that when he quits, it will be several days before a successor is designated. Failure of the employer to designate a new contact immediately, to train this employee in the job, and to notify the hospital right away of the change in name of the contact, could result in serious difficulties for an employee seeking admission to the hospital. If this sort of thing happened very often, the hospital

clerical staff would be upset and hospitals would rain complaints upon insurers. The scheme is so dependent upon the good will of hospitals and employers that such a situation might seriously handicap the Chicago plan.

A possible point of trouble over which the insurer has more direct control lies in changes in groups, either through new coverages or additions of personnel. In such cases, it is the immediate responsibility of the insurer and employer to see that the contact knows of these changes and to notify the Chicago Hospital Council of the changes where the master file maintained at council headquarters for each group is affected.

So anxious are insurers to make the plan succeed that they are bending over backwards to ease the task of hospital admission clerks. There is nothing in the plan that makes it mandatory for companies to provide certificate holders with identification cards. However, most insurers are providing this card, because it is much simpler for a clerk to check a group and a name if he has a card presenting this information to him. A card is valuable in cases where the employee has been seriously injured.

There is nobody who pretends that the plan is absolutely foolproof and it is expected that some "bugs" will develop. It is hoped to iron these out in the first six months and to use the plan as a standard for similar advances elsewhere in the nation. Detroit is mentioned as a possible next stop. It is possible that there, as in Chicago, one of the Knight newspapers will apply the kind of editorial prodding that proved successful in Chicago.

simply with strokes of reporting that are so broad that they don't shock management into a realization of the catastrophic embezzlement hazard to which they are exposed. Here, however, any executive could visualize how he could be hoodwinked by far less dexterous operators than Wilby.

Undoubtedly, at least one subconscious reaction of executives in hearing of embezzlements elsewhere, is to assume that there was some fault in the controls in the victimized concern that does not exist in the company in which the reader is interested. Such a notion is dissipated in reading of Wilby's work in the "New Yorker." It is true that as a result of this experience, the controls in the Knott firm were further refined, but the fact remains that the more complicated and the larger our business activities become, the greater are the opportunities for men with evil design to turn unsocial skills to their ends. The greater the reliance that is placed on mechanical means and rules and regulations to thwart wrong-doers, the farther removed is individual, personal responsibility and the human safeguard.

The "New Yorker" story is something that agents should not permit their clients and prospects to overlook reading, not only for the purpose of increasing the value they place on their fidelity cover and possibly of improving and enlarging the protection, but also of impressing upon them the necessity for the utmost vigilance in preventing the

blow that the insurance is purchased to cushion. No matter how fool-proof they may feel their protective system may be, there is always a possibility that there is some especially skillful operator at work who will be rendering obsolete the latest in protective devices and systems.

The story, at the same time, is one to make the fidelity man himself tremble. There have been a series of jumbo embezzlements in recent years that have haunted the underwriters. They have realized that the tremendous economic growth of the country and its attendant complications have elevated the field for embezzlers to undreamed of heights, and that losses of fantastic magnitude may this day be taking place, not to be exposed perhaps for years to come. The "New Yorker" story has dramatic quality, not only for the general reader but for those whose job it is to underwrite such risks. It serves to confirm the basis of fears of the underwriters. It will undoubtedly serve to cause new emphasis to be placed on the investigation process, to cause nothing to be taken for granted, and to see that no chances are taken with those that turn up with a shady past.

It makes one realize that there are developing criminal intellects that are capable of taking the measure of modern business. The old-fashioned payroll holdup and bank robbery may be pretty much a thing of the past but instead we may be faced with the fact that big business has become matched by big and subtle embezzlers.

## PERSONAL SIDE OF THE BUSINESS

David J. Kadyk of the Chicago law firm of Lord, Bissell & Kadyk, which is Illinois attorney-in-fact for London Lloyds, is again confined to St. Luke's hospital, Chicago, with a heart ailment. He was hospitalized in November and then returned home but later required hospital attention again. Mr. Kadyk had been heavily engaged in working out for London Lloyds problems in connection with many aspects of the new Illinois rating law.

John Joseph Holmes, state auditor and ex-officio insurance commissioner of Montana, was the subject of feature articles in the newspapers of his state as he embarked upon his fifth term in office. He carried every county in the 1948 general election and led his ticket, the official count being 137,111 for Holmes and 72,582 for E. J. Mo of Helena.

The newspaper writers recall that Mr. Holmes was born at Elphin, County Roscommon, Ireland, May 17, 1888, his parents being school teachers. His mother, who is 97, is still living.

Mr. Holmes started his business life as a bookkeeper in a brewery at Westport, Ireland, at the age of 17. He came to New York in 1905 and while visiting relatives at Hoboken, he was offered a job of throwing switches in

the yard for Delaware, Lackawanna & Western Railroad. After a few days of this, it was discovered that Mr. Holmes could write and he was converted into a bookkeeper. In 1907 he started west with two companions and went with the Strain Brothers store at Great Falls, Mont. A year later Mr. Holmes went with Anaconda Copper Mining Co. smelter and in short order became a chief statistician.

In the first war Mr. Holmes took a course in quartermaster accounting in the army and went overseas to install that system in army camps. After the war he returned to Great Falls and entered the life insurance business with Northwestern Mutual Life. Later he became general agent for Minnesota Mutual Life. Mrs. Holmes, the former Catherine Gillespie, also is a native of Ireland. They have six children.

A. J. Smith, Chicago manager of Crum & Forster, is on a six-week vacation, to Florida and other sunshine spots.

Frederick E. Brown, Jr., oldest employee in point of service with Phoenix of Hartford, and assistant superintendent of the printing department, was tendered a testimonial dinner on his 50th anniversary with the companies. He is a fire commissioner of Newington,

### Big Business, Big Embezzlers

St. Clair McKelway's story in the Jan. 1 and Jan. 8 "New Yorker" of the near perfectionist embezzlement operations of Ralph M. Wilby, culminating in the \$386,920 swindle of the William T. Knott Co., is undoubtedly the most readable piece of popular writing that has ever been turned out that holds peculiar interest for fidelity-surety men. This tells in popular style, and yet in satisfying technical detail, how an experienced and brilliant embezzler wormed his way into a key position in a company that was employing the most modern protective systems and managed to appropriate some \$386,000 for himself over a three-year period, and how he

might still be successfully enriching himself had it not been that he set up a fake company that engaged the curiosity of FBI as a possible link to Germany during the war.

This case was extensively publicized in the newspapers at the time and was one of the big fidelity bond loss stories of recent times. Travelers stood to lose some \$300,000 here but the salvage was very considerable. What gives Mr. McKelway's account such significance to the fidelity business is the clarity with which he relates exactly how this complicated embezzlement took place and the dramatic quality of his writing. Usually in such cases we have to be content

## THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York.

EDITORIAL DEPARTMENT: Managing Editor: Levering Cartwright. News Editor: F. A. Post. Associate Editors: R. B. Mitchell, D. R. Schilling, J. C. O'Connor. Assistant Editors: Richard J. Thain, John C. Burridge.

PUBLISHED EVERY THURSDAY

CHICAGO 4, ILL. Telephone Wabash 2-2704.

OFFICERS: Howard J. Burridge, President. Louis H. Martin, Vice-President and Secretary. St., Cincinnati 2, Ohio.

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Conn., justice of the peace, treasurer of Newington Junction Water Co., senior warden of Grace Episcopal Church, and a past grand master of Trinity Lodge, I.O.O.F.

Harry I. Carl, superintendent of the printing department, presided at the dinner, which was attended by President George C. Long, Jr., and fellow employees.

John Rygel, vice-president of Hanover Fire, has been elected a director of the company.

Miss Jean Tachau, daughter of Charles S. Tachau of E. S. Tachau & Sons, Louisville local agents, and president of Louisville Fire & Marine, is a featured dancer in a New York stage hit, "Kiss Me, Kate," a musical version of "Taming of the Shrew."

Stephen K. Bjornson, who last week was appointed manager of Rair & Hail Insurance Bureau to succeed James B.

Cullison, last October celebrated his 25th year with the organization.

He started as an actuary and special agent, and was appointed assistant manager soon afterward. Mr. Bjornson is



STEPHEN K. BJORNSON

a graduate of North Dakota State College. While in college, during the summer months, he adjusted hail losses.

During the first war he was an artillery captain and upon his return he joined the Omaha office of Western Adjustment as manager and later became a general agent in the crop hail insurance business.

Mr. Bjornson is currently on a month's tour of the western states attending to hail matters and will be on hand Jan. 26 at the Pacific Coast Hail Conference at San Francisco.

## DEATHS

Thomas E. Moloney, 74, dean of Spokane local agents, died of a heart attack January 2. Mr. Moloney, who had been in the insurance business there for 44 years, was vice-president of Old National Insurance Agency.

A native of Portland, Ore., he was with the Fred B. Grinnell agency of Spokane first as insurance department manager and later as vice-president, 1903-1928, resigning to become superintendent of agents of General of Seattle. Four years later he returned to Spokane to become vice-president of Old National Agency.

A son-in-law, Donald A. Morton, is Spokane manager for Stuart G. Thompson-Elwell Co. There are two sons, Robert E., who is vice-president of Groninger & Co., Seattle, and John P. Moloney, Spokane local agent.

J. B. Loudermilk, local agent of Gainesville, Ga., died in his car while returning from Jefferson to Gainesville,

at the age of 49. It is thought that he suffered a heart attack.

Mrs. Louise J. Walker, 80, wife of John W. Walker, former local agent at Joplin, Mo., and mother of Earl W. Walker, state agent for North British & Mercantile at Topeka, died at Freeman hospital, Joplin.

Howard W. Taylor, 56, Richmond local agent, was found dead on a roadside near Hanover, Va.

James J. Shipley, 80, president of the Shipley-Quick Co. agency at Cleveland for 37 years, died there. He held the record for the longest period of service with Travelers at Cleveland.

C. J. Schrup, president of Dubuque Fire & Marine, died Saturday morning following a lengthy illness. He had been incapacitated about five years due to a heart condition and was confined to his home most of that time.

Mr. Schrup was also president of American Trust & Savings Bank of Dubuque. His interests, so far as the insurance company went were mainly of a financial nature and he did not engage to any great extent in underwriting activities. He was a director of Western Insurance Bureau at the time of his death.

Dubuque F. & M. was started by his father, Nicholas Schrup, in 1883. C. J. Schrup, who was born Jan. 17, 1886, went with Dubuque F. & M. in 1904 and had been president since 1924. He was a member of the board of regents of Columbia College at Dubuque, was vice-president of Central Finance Co. of Dubuque and treasurer of Dubuque Securities Co.

Robert O'Rourke, who is a brother of Mrs. Schrup, is executive vice-president of Dubuque F. & M. and John O'Rourke, another brother, is Chicago manager.

Martin McVoy, Jr., a founder and president of Industrial Underwriters, New York City brokerage firm, died there.

Alex W. Tippet, 80, veteran Louisville local agent, died there. He had not been very active in the agency for the last nine years, the business being operated by Miss L. Stith. At one time he was a partner in the Tippet, Walker & Perry Agency, which was divided up following the death of the late Pat Walker.

Charles B. Williams, 62, Macon, Mo., local agent and formerly secretary of the Macon Chamber of Commerce, died there following a heart attack.

Agnes M. Bruder, 56, prominent Chicago woman agent and broker, died at her home following a period of about eight years of semi-invalidism that ensued after an operation. She was connected with the P. B. Hobbs agency of Equitable Society, doing a large life business, and also a lot of general insurance. Much of this was placed upon the Balaban & Katz movie theater organization of Chicago. Miss Bruder was a sister of Mrs. John Balaban.

H. A. Cornell, 75, who had operated a local agency at Ossining, N. Y. since 1901, died there.

## QUICK PICTURE of "Pacific National"



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to assure nation-wide service and unquestioned financial strength.

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to assure mature experience and time-tested stability.

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to render fast, efficient, interested service to Agents and their Assureds.

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to meet changing conditions or to adopt progressive methods.

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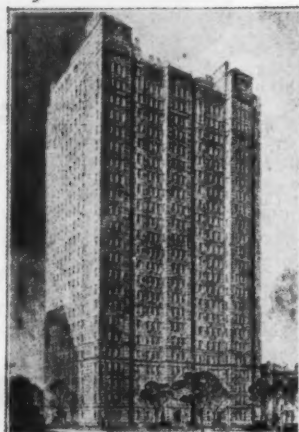
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### WISCONSIN

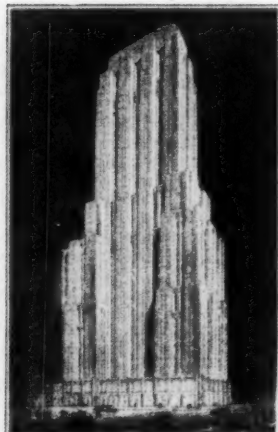
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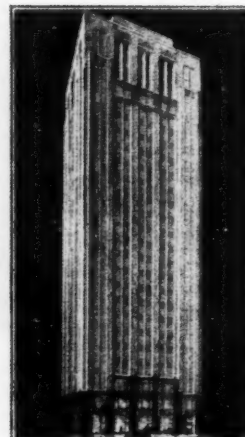
1500 Lake Shore Drive  
McNally & Quinn, Architects



Palmolive Building  
Holabird & Root, Architects



Madinah Athletic Club  
Walter W. Ahlslager, Architect



Buckingham Building  
Holabird & Root, Architects



300 W. Adams Building  
Jens J. Jensen, Architect



Hotel McCormick  
E. J. Moles, Architect



Jackson-Franklin Building  
A. B. Alschuler, Architect



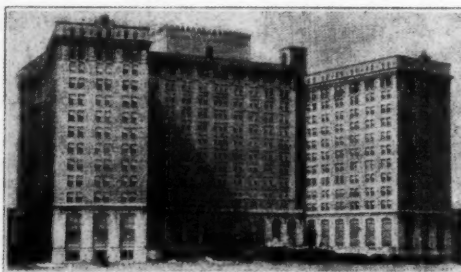
Stop & Shop Building  
Schmidt, Gordon & Erikson, Architects



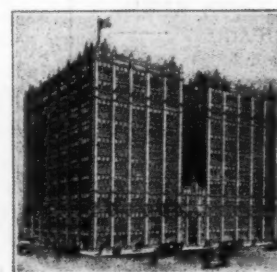
Holmes Garage  
Davis D. Meredith, Architect



Michigan Square Building  
Holabird & Root, Architects



Shoreland Hotel  
G. H. Gottschalk Co., Engineers



1600 Building  
A. B. Alschuler, Architect

We at the American Glass Company take pride in the fact that we have glazed and continue to service the largest buildings in Chicago as shown above. We also represent the KAWNEER METAL COMPANY, using the best Kawneer material on the remodeling, building and maintenance of Chicago's finest store fronts.

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## Cal. Allows Claims Under Workmen's Compensation, UCD

### Insurer Sees Big Rise in Claim Payments if Decision Stands

SACRAMENTO — The decision of the California appeals board that neither a voluntary disability insurer nor the state disability fund has the right to decline a claim because the disability is occupational in origin gives claimants an uncontrollable right to determine whether they will make claim on the disability fund or on the workmen's compensation insurer and makes it impossible to estimate the cost of the additional outlay that will result from the decision, according to H. Harold Leavey, vice-president and general counsel of California-Western States Life, one of the largest writers of voluntary disability in the state.

Mr. Leavey points out that estimated 1948 payments are about \$25 million for short-term temporary disability under the workmen's compensation statute and that if any substantial number of claimants insisted on making their short-term disability claims under the U.C.D. program the additional outlay could run to many millions of dollars a year.

"This decision is viewed with concern because practically everyone associated with the program believed that section 207b of the act gave claims men administering the U.C.D. program a clear right to deny a claim when the facts indicated that the disability was occupational in origin," said Mr. Leavey.

### May Seek Legislation

Litigation is being considered and it has been suggested that remedial legislation may be submitted to the 1949 legislative session.

Mr. Leavey points out that if the worker insists on filing for disability insurance benefits the only recourse of the state disability fund or a voluntary disability insurer is to pay the claim and then undertake to file a workmen's compensation claim in the name of and on behalf of the worker and to prosecute this matter before the industrial accident commission in order to recoup. This will obviously increase the administrative, legal and clerical burdens in the disability insurance program and will also result in no recoupment being had in a large number of cases, so that the aggregate outlay of the disability fund because of the decision may be substantial. Under many sets of circumstances it will be possible for the worker to make a double recovery for the same period of time.

### Effect on Cost of Program

Mr. Leavey raised the question as to the cost of the disability insurance program if this decision stands. Labor organizations are urging that weekly disability benefits be substantially increased and Gov. Warren has suggested that the program may properly have added into it provisions for certain hospital benefit coverage. Some have suggested that no additional benefits can be legislated in view of these decisions, he said.

Another point is that the appeals board has also announced in a series of decisions that recoveries made by maritime workers under either the Jones act or the maritime doctrine of wages,

## State Farm Slashes Auto Rates Up to 35%

State Farm Mutual Automobile announces a program of automobile insurance rate reductions that will represent an annual decrease of \$10 million in premiums.

The first filing in conformance with the program has been made in Nebraska. This embraces reductions of 20% on B.I. and P.D. on private passenger cars, 25 to 35% reductions on commercial vehicle B.I. and P.D., 20% reduction in comprehensive rates on all classes of vehicles and a 25% reduction on all classes and kinds of collision coverage.

### Physical Damage Cuts Earlier

State Farm, in June of 1948, instituted reductions in the physical damage automobile classification. Chairman G. J. Mecherle, in commenting on the reductions at this time, declared that State Farm after the war, was one of the first companies to find that its loss experience required rate increases. This, he asserts, was due primarily to the earlier availability of mature data under the six-month policy plan of operation of State Farm. Now, he said, State Farm is enabled to reduce the rates because of the operation of the same basic factors that necessitated a rate increase following the war. Also he said that last year State Farm completed a program of internal reorganization that has enabled the company to handle 7% more policies with 15% fewer employees.

State Farm estimates that its assets at the end of 1948 will stand at more than \$95 million, surplus to policyholders will be about \$29 million exclusive of contingent reserves and premium writings will exceed \$76 million.

### Am. Universal in Field

American Motorists Mutual of Rhode Island, which has been inactive, has been reorganized as a stock company known as American Universal and the new company is now actively bidding for business. It will develop a multiple line program. Maurice H. Saval is the president. John B. Denahy has been named as special representative at the home office which is at 32 Custom House street, Providence. He has been superintendent of compensation and liability underwriting for Employers Liability at Philadelphia.

### Answers \$2 Million Suit

United Airlines has denied charges of negligence in the \$2,012,000 suit brought by executrix of the estate of Earl Carroll, Broadway producer, who was killed in the airplane crash at Mount Carmel, Pa., last June. The airline in its answer, filed in federal court at Scranton, Pa., contended that no written claim for damages had been filed with the company within 90 days after the crash, and that, therefore, the suit should be dismissed.

maintenance and cure, are not covered under the term "employers' liability act" in the disability statute and hence will not preclude recovery of disability insurance benefits for the same period. They also have held that wage payments made under the wages, maintenance and cure doctrine are "regular wages" within section 208 of the disability act. The board also held that it is improper to attempt to prorate the amount which a worker receives in a lump sum settlement either under a maritime settlement or workmen's compensation over a period of weeks.

## Program for Texas One-day Meetings

The one-day casualty and surety meetings of Texas Assn. of Insurance Agents will be held at Houston Jan. 20 and Dallas Jan. 21.

The program and arrangements are under direction of J. F. Nicolls, Houston, chairman casualty committee of Texas association, in cooperation with Travis D. Bailey, San Antonio, chairman fidelity and surety committee.

Mr. Bailey will preside at Houston meeting and Mr. Nicolls at Dallas. T. Champe Fitzhugh, president of the Texas association, will extend greetings. Paul Benbrook, actuary casualty division, state commissioners' board, will talk on "Duties and Responsibilities of the Casualty Insurance Division," and James C. Cahill, secretary National Bureau of Casualty Underwriters, on "Why the Bureau, and What the Bureau Does for Local Agents."

Hollis F. Danvers, Houston local agent, will talk on "Automobile Safety" and Dean A. Whiffen, director general liability section Texas casualty insurance division, on "What's New in the General Liability Field."

R. C. Larson, field supervisor Aetna Casualty, will talk on "Customer Analysis and Survey Selling." Luther E. Mackall, former vice-president of National Surety, will discuss "Surety Producers' Functions," and John H. Egloff, supervisor of agency field service of Travelers, will close the day with "Building with Inspiration."

### Association Should Know Aim Before Group Bidding

Personal producers can be of great help to themselves and to the group writing companies if, on prospective association group cases, they will make it clear that the association body in question must meet and decide what kind of an insurance program it wants before insurance companies will submit bids. A great deal of confusion has arisen on this point and perhaps some association group cases have been lost because the personal producer has left the impression with the association that the insurance companies will step up and make bids out of the blue and that from these bids the association can figure out how expensive a program it wants.

This is definitely cart before the horse procedure and most of the insurance companies won't operate in this manner. Home office group representatives are too busy to submit such a blind proposal. This would involve wasted effort because association officers are seldom armed with authority to make decisions unless a meeting has been called in advance to acquaint them with wishes of the members. What the producer should do is ask the association to call an official meeting to determine what sort of a program the association is likely to approve. Then the association can throw the matter open to bids and the insurance companies will be glad to draw them up.

### Putting Burr Under Saddle

LINCOLN—Sen. J. V. Benesch of Omaha offered a bill in the Nebraska legislature which he said will "bring all the insurance companies in the country out here to fight it." The bill provides that the plaintiff in a damage suit could ask the defendant on cross examination if he is protected from loss by an insurance company.

Lyall A. Ald has reentered the Ald agency at Charlotte, Mich., as a partner with his brother, Merle E. He had been manager for Auto-Owners of Lansing at Toledo for the past five years.

## National Bureau Files Answer in Suit Aimed at Rate Law

### Asserts Ark. Assigned Risk Plan Furthers, Not Restrains, Trade

The answer of National Bureau of Casualty Underwriters, its members and its subscribers for automobile insurance in Arkansas, has now been filed in the federal court at Little Rock in the case of North Little Rock Transportation Co. vs. Casualty Reciprocal Exchange, and others. This is the case that offers the first court challenge to the all-industry type of state rate regulation. The taxicab company charged that it was forced to go into the auto assigned risk pool to get coverage, at an increase in premium over what it had been paying.

The answer asserts that every act of which the taxicab company complains was regulated by Arkansas laws and was in accordance with those laws and the laws of the U. S. The defendants have not entered into an agreement to boycott, coerce, or intimidate, the answer declared. Dismissal of the suit is asked, although it is considered likely that the case will go to the U. S. Supreme Court.

### Work of National Bureau

The bureau explains that it is a rating organization and in conformity with law secures and analyzes pertinent data, thereafter establishing for its members and subscribers proper underwriting rules, classifications of risks, policy provisions and other forms, manual rates, minimum premiums and rating plans.

Every member and subscriber must comply with the bureau's determinations except when compliance is established to be in violation of law or when the insurer is ordered or permitted to act otherwise by public authority. On proper application, any stock company engaged in casualty insurance may become a member; any insurer may become a subscriber, though only members can vote and serve on committees. The bureau has engaged in these activities since 1910.

Reviewing the S. E. U. A. case and public law 15, the answer says that in the moratorium provided by the latter practically all states, including Arkansas, set up casualty rate regulatory laws. The National Bureau is authorized to act as a rating organization for auto liability in Arkansas. Before commissioners of Arkansas and other states granted the bureau a license, they were required by law and did have established that the bureau is "competent, trustworthy and otherwise qualified to act as a rating organization."

### Performs Public Service

A number of casualty risks present such hazards that no insurer voluntarily wants to accept them as insured, is another point in the answer. To make insurance available to these risks the industry as a public service and in cooperation with insurance departments set up assigned risk plans, which provide the equitable apportionment of such risks among the companies. Such plans specifically are authorized by the Arkansas law, which requires review and approval of the plans by the commissioner. The assigned risk plan is a public serv-

(CONTINUED ON PAGE 24)

## Wage Level Factor Brings Further Wis. Rate Reduction

Following the announcement by Commissioner Lange of Wisconsin of an additional average 4.2% reduction in workmen's compensation rates for 1949 over and above an original 3.5% reduction, Robert A. Ewens claimed that this was brought about by Wisconsin Manufacturers Assn., of which he is executive vice-president.

Mr. Ewens said his association had made an investigation and declared that the second reduction was due to the protest that was based on the results of its findings. He dwelt on the fact that while the benefit scale under the workmen's compensation act remained stable, the wage level has increased and this has caused a greater and greater spread between the amount available for expected losses and actual losses paid.

The Manufacturers association participates in a legislative conference and this group has recommended to the legislature an increase in the maximum rate for total disability to \$32.55 a week.

Presently the maximum is \$28.

George Haydon, general manager of Wisconsin Compensation Rating & Inspection Bureau, made the following statement on the situation in response to an inquiry by THE NATIONAL UNDERWRITER:

"On the occasion of the Wisconsin Compensation Rating & Inspection Bureau rating committee meeting, held Oct. 29, the customary rate revision was acted upon and resulted in a new collectible rate level of .965 and a new manual rate level of .945.

"Subsequently it was discovered that an error had been made in the development factors which are designed to attempt to estimate the final result of immature premium and losses, the net result of the correction being to reduce the new rate level to .948 and .928 respectively, the adoption of which was agreed to.

"During the discussion, the point emphasized was that just subsequent to the date of the last meeting, the facts regarding the so-called rate level adjustment factor became known. It was held that had the facts been available at that time, serious consideration would have been given to adoption, the effect of which would be to further reduce the new rate level by .973.

"The committee members were very

conscious of the desirability of the adoption of the factor because of its cushioning effect, in that it tends to measure trend in experience development subsequent to the period upon which the rates are based and so partially fill the gap between present rates and such period.

"The final result was that the factor was adopted for integration in the permanent rate making program, thereby establishing a new collectible rate level of .923 and a manual rate level of .904, which amounts to a reduction of 7.7% in collectible level and 9.6% in manual level."

## Can't Call Group Disability "Non-Cancellable": Downey

Commissioner Downey of California has notified disability insurers and agents and brokers that they must not use the terms "non-cancellable," "not cancellable," or "guaranteed renewal" in literature describing group disability insurance to members of the group. This applies to agents or brokers also.

Mr. Downey said that these terms have acquired a specific meaning in disability insurance indicating policies that are both non-cancellable and guaranteed renewable either for a substantial number of years or to a specific age. He said that in the case of group disability the fact that the individual coverage cannot be cancelled by a company does not make the individual's rights under the group policy as favorable as regards cancellability as under true non-cancellable and guaranteed renewable individual policies, since the individual's group coverage will terminate on termination of the group master policy, on termination of the individual's membership in the group, and for such other reasons as the individual master policy "lawfully and properly provides."

## Urges N. J. Legislators to Eschew Monopoly

NEWARK—The New Jersey unemployment compensation disability law appears to put private insurance in a better competitive position with the state fund than does the California law, according to Mark Abramson, assistant counsel of Assn. of Casualty & Surety Companies, who addressed a luncheon meeting Monday of Casualty Underwriters Assn. of New Jersey.

Mr. Abramson expressed the belief that no major changes in the law will be made in 1949. He voiced the hope that the legislature will reject any proposals to convert the state fund into a monopolistic setup. The insurance industry as a private enterprise is like peace, he said, indivisible and the nibbling away at it threatens to undermine the entire structure.

Henry W. Summers has sold his agency at Eldon, Mo., to Howard E. Bruner and is retiring because of his health.

## Objects to Certain Sales, Advertising Practices on Polio

While National Foundation for Infantile Paralysis is glad to find that insurance exists when polio strikes, it is concerned with the practice of some agents in selling polio insurance in areas where there is an epidemic on the basis that the foundation cannot or will not provide adequate medical care and treatment. This is untrue, according to the foundation. It is financially prepared to care for any person stricken with the disease who needs financial aid.

The national foundation and its local chapters expect any family hit by polio to pay what it can toward treatment, and insurance in this respect is helpful. Insurance funds will be used first if a family has them. No family is expected to lower its standard of living if a member is stricken. The foundation is not in favor of a family mortgaging its home, selling its furnishings, or using its entire savings in order to receive aid.

## Objects to Certain Advertising

The foundation seriously objects also to the insurance advertising that has appeared in some epidemic areas and that has implied that without insurance funds polio care is not available through foundation channels. The advertising and the sales talk of some agents is, of course, untrue, and in addition the foundation regards as an important part of its work in an epidemic area the calming of the fears of the population. This type of advertising tends to create panic and hysteria.

The foundation points out that while the individual insured against polio would have his medical costs covered by that insurance, he would not have the additional advantages provided by the foundation in its development of hospital facilities and the training of professional personnel, let alone basic research pointed to the ultimate elimination of this dread disease.

After 21 years with Standard Accident Margaret Hampshire has resigned to take over the active management of Hampshire Business Services in the Hammond building, Detroit. Miss Hampshire with Standard Accident saw service in the government information bureau at Washington, in the Pittsburgh field office, as well as the Detroit home office. She also served for a time with Continental Casualty at Pittsburgh.

Ferd Nauheim, representing Sales Executives Club, Washington, will address the District of Columbia Assn. of Insurance Agents luncheon meeting Jan. 17, on "Free Enterprise Is Based on Selling."

## OPPORTUNITIES FOR YOUNG MEN

Large eastern Casualty and Surety Company with many branch offices throughout the United States, is seeking services of young men with qualifications to fill positions of *Special Agents*, also *Fidelity and Surety Underwriters*. Splendid opportunity.

Young men now in the insurance business having potential qualifications for this type of work, even though at present without experience in such duties, will be considered.

In reply, please give age, marital status, salary requirements, as well as a general outline of experience and other information helpful to determine qualifications.

Address S-95, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Yes, it's true. A cat does see better in the dark. In bright daylight the cat's iris is a mere slit; at night it is greatly enlarged.

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that Hawkeye-Security Agents get the kind of wholehearted cooperation that every alert underwriter is looking for . . . constant sales help . . . "all-out" service from the home office and intelligent counsel by able fieldmen. These are just a few of the reasons why the swing is to Hawkeye-Security.

**HAWKEYE CASUALTY CO.**  
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Des Moines, Iowa

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## C. M. Kellogg Traces the Lessening of Pressures

Chester M. Kellogg, vice-president of Alfred M. Best Co., in addressing American Assn. of University Teachers of Insurance at Cleveland on the capacity problem observed that in the last five years total fire and casualty premium volume has nearly doubled, rising from less than \$3 billion to \$5½ billion. But, policyholders' surplus rose only \$250 million. At the end of 1947 policyholders' surplus was actually \$100,000 less than at the end of 1945, while premiums had jumped by more than \$2 billion. Moreover, volume is still rising although at a somewhat slower rate.

### Acute Growing Pains

This growth has subjected the whole industry to acute growing pains. State law requires unearned premiums to be set up at a figure in excess of the amount which experience shows to be necessary in practical operation. This procedure correspondingly reduces apparent profit or increases the apparent loss from underwriting, except where the volume of business written remains static or is decreasing.

The very nature of the insurance business with its reserves for losses and unearned premiums virtually dictates the investment of substantial resources. Low income on high-grade bonds coupled with lack of appreciation in the market values of stocks, has added what may be termed a second squeeze on surplus.

In the years immediately following the war, when the industry was feeling the pinch of this double squeeze most acutely, a third and more ominous squeeze appeared—substantial losses on automobile business for both fire and casualty carriers. It just seemed impossible to raise rates fast enough to keep pace with the mounting losses. Moreover, every jump in rates boosted premium volume still higher and caused an extra squeeze on surplus because of the premium reserve requirements. In addition, fire companies faced unsatisfactory underwriting returns due mainly to the relationship between insurance coverage to value failing to keep pace with mounting replacement costs. The solution was to increase the amount of coverage. Thus, the industry was caught in a position where the very necessary remedial measures to cure one ailment aggravated the already acute drain on surplus due to reserve requirements.

The difficulty for buyer and seller to get together primarily stems from a distribution system and a basis of underwriting which have developed over the years in an easy market and which have not yet adjusted themselves to a tight market. The inflationary growth of premiums has been so rapid that neither buyers, brokers and agents, or companies have been able to adjust their think-

ing and method of operations to the changed conditions.

Normally, individual agents and brokers deal with relatively few companies, and buyers individually deal with a limited number of producers. They contact only a segment of the market. Company underwriters often tend to rely more on their past experience with an agent or broker than on a specific evalua-

tion of a particular risk. Add to this the unprecedented growth, spiraling losses, virtually non-existent profits and the drain on surplus because of statutory reserve requirements, and it seems a wonder that the situation as a whole has worked out as well as it has.

### Tighten the Underwriting

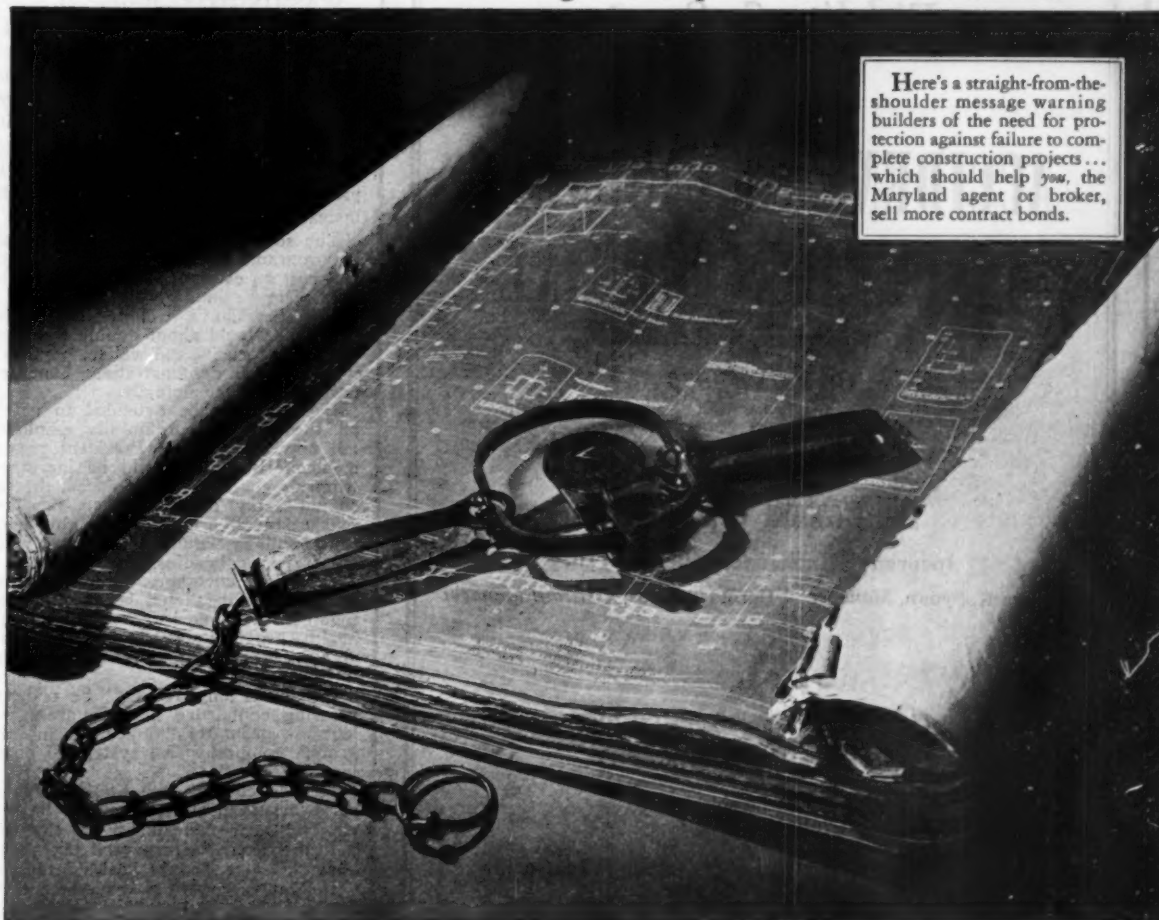
Faced with this bleak outlook, companies had to tighten their underwriting. Some agencies were dropped, some accounts canceled. Companies that were straining to service their own accounts and could not judge how much farther

the inflationary spiral would go were not eager to acquire new agents and new accounts, particularly when they were afraid that those agents and accounts had been dropped by some other company because of unsatisfactory experience.

In this period of readjustment, perfectly good accounts sometimes have suffered when the company or companies carrying the line reached a point of capacity beyond which management dared not go. Thus, purely capacity cases became mixed up with underwriting cases, and it was almost impossible

(CONTINUED ON PAGE 26)

*"Unforeseen events . . . need not change and shape the course of man's affairs"*



Here's a straight-from-the-shoulder message warning builders of the need for protection against failure to complete construction projects . . . which should help you, the Maryland agent or broker, sell more contract bonds.

## NOT IN THE PLANS

NOTHING WRONG with the plans for this building that is to come.

But *you*, the owner, may find yourself in a trap that isn't in the blueprint at all. For there's always the chance that the contractor, through no fault of his own, will be unable to finish the building. Any number of unforeseen, unforeseeable troubles may suspend construction work . . . or halt it altogether.

If you are planning a building of any sort, you should insist that your contractor protect you . . . with a contract bond in an amount adequate to

guarantee satisfactory completion of the project at the contract price. Your architect will be glad to arrange this protection for you. Then no default under the contract, no failure of your contractor, can cause you financial loss. Your building will be completed, and all bills for labor and materials—which otherwise may be a lien against your property—will be paid. The man to see for this low-cost safeguard is your local Maryland agent or broker.

*Remember: Because your Maryland agent knows his business, it's good business for you to know him.*

### Half Million Loss in N. Y.

NEW YORK—An insurance loss estimated at between \$500,000 and \$600,000 is expected from New York City warehouse fire at 300 Mercer street. There was \$180,000 cover on the building, where some salvage is expected. The contents were insured for \$700,000 but some of the property was saved. It included hats, belts, pants and other garments made and stored by the different firms in the building. It is a committee loss and some 20 to 30 companies have lines on the building or contents.

### Standard Men Advanced

Ralph H. Platts, Jr. has been named assistant manager of the compensation, liability, burglary and plate glass department of Standard Accident. Charles E. Stevens has been appointed assistant A. & H. manager. George Franklin becomes assistant automobile manager, and Henry Carmichael assistant analytical manager.

## MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

All forms of Casualty Insurance, Fidelity and Surety Bonds, for business, industry and the home, through 10,000 agents & brokers

*Accident, Health,  
Casualty,  
Fidelity & Surety*

## ACCIDENT AND CASUALTY INSURANCE COMPANY

of Winterthur, Switzerland

Organized 1875

### Mid-Western Department

Insurance Exchange, Chicago 4, Ill.

William K. Synan, Manager Harold T. Roos, Assistant Manager

### United States Head Office

111 John Street, New York 7, N. Y.

Ogden Davidson  
United States Manager

Charles A. Barkie Arthur F. McCarthy  
U. S. Assistant Managers

## AMERICAN RE-INSURANCE CO.

99 John Street, New York 7, N. Y.

DECEMBER 31st, 1947	
CAPITAL . . . . .	\$ 4,000,000.00
Surplus . . . . .	8,534,246.69
Voluntary Contingency Reserve . . . . .	750,000.00
Surplus to Policyholders . . . . .	\$13,284,246.69
Reserve for Losses . . . . .	9,067,162.48
All Other Liabilities . . . . .	7,863,979.60
<b>TOTAL ADMITTED ASSETS</b>	<b>\$30,215,388.77</b>

NOTE: Securities carried at \$700,000.00 in the above statement are deposited as required by law.

**CASUALTY . FIDELITY . SURETY**  
Re-Insurance

## Social Insurance Plans Proliferate in Budget Message

### Huge Outlays Involved in the Various Proposals of President Truman

WASHINGTON—Besides \$4 billion increased corporation and income taxes, President Truman recommended in his budget message \$1.96 billion additional revenues including \$260 million for proposed compulsory national health insurance, and .5% increase in OASI taxes each on employers and employees to yield \$1.7 billion, effective July 1, 1949, instead of Jan. 1, 1950.

The social welfare, health and security programs existing and recommended will cost an estimated \$2.4 billion in the fiscal year beginning July 1 next.

The President's welfare and health programs would about double the present social security and welfare payments which, plus administrative expenses, cost \$1.3 billion annually.

OASI should be extended to nearly all the 25 million gainfully employed not now covered, the President recommended. Benefits should be increased, women's eligibility age reduced, the tax should apply on more than the first \$3,000 annual earnings, and higher part-time earnings should be permitted without forfeiting benefits.

Disability coverage, both temporary and permanent, should be provided for, together with comprehensive national health program centering in national medical care, the President recommended.

"Action is long overdue," he said, expressing confidence that Congress will legislate promptly "to achieve an integrated, comprehensive system of social insurance."

He desired that "the whole social insurance system will continue to be substantially self-supporting." To that end a further increase in payroll tax should be imposed to finance health insurance.

Budget estimates of government receipts include \$2.61 billion employment taxes, in fiscal year 1950, to increase to \$3.324 billion under proposed legislation. Appropriation of \$2.42 billion to the OASI trust fund is sought, together with \$1.7 billion under proposed legislation, including disability, while \$260 million appropriation is called for the proposed health insurance trust fund.

New legislation recommended calls for \$15 million for a medical care insurance system in 1950 fiscal, while changes in employees accident compensation rates will require \$4 million.

### Sees \$3½ Billion Total

H. G. Kemper, president of Lumbermens Mutual Casualty, estimates that premiums written by casualty companies in 1948 amounted to \$3½ billion, a gain of about 20% over 1947.

### Bank Litigates Claim

Central National Bank of Chicago has brought suit in federal court at Chicago against Continental Casualty to recover \$150,000 under its bankers blanket bond on account of alleged misappropriations on the part of Arthur P. Buszin, who was formerly an assistant cashier at the bank. Three officials of building firms together with Buszin are under federal indictment on charges of misappropriating \$3,750 of the bank's funds. Continental Casualty contends that no dishonesty has been established

on the part of Buszin, that the bank had been dealing with these building firm officials and that Buszin was simply acting in what he believed to be the best interests of the bank.

### Issue Arises Over Horseplay in Print Shop

WASHINGTON—District Court Judge Letts here is considering the problem whether a playful poke in the rear in the print shop of a Washington newspaper is an occupational hazard.

Poked was Raymond A. Hawk, while at work May, 1947. Evidence indicated poker was Maxie Marinelli.

After the incident, the court was informed, Hawk wheeled around and chased Marinelli, who fell and broke a hip. Marinelli was hospitalized and awarded \$1,000 workmen's compensation.

Hartford Accident contended it did not have to pay because Marinelli was the aggressor. However, Ward Boots, counsel for the Employment Compensation Commission, argued that horseplay is not unusual in newspaper press rooms, and that the company is liable.

### Seek Mich. Mail Order Law

LANSING, MICH.—The Michigan department will seek enactment at the current legislative session of the model unauthorized insurers' process act approved at the December meeting of N.A.I.C.

Commissioner Forbes, in connection with the problem of mail order insurance, views the proposed law as one of the most important forward steps considered in years for the protection of insured.

### Johnston, Fulton Retiring

Announcement is expected to be made this week of the retirement of two officials of Security of New Haven—W. Perdue Johnson and Gilbert H. Fulton.



*it's all there  
in a nutshell*

Speed Up the Acceptance of Your Bond  
Risks by Keeping Anchor's "Field  
Counselor" Cabinet at Your Elbow.

A simplified system for the preparation  
of Bond submissions—organizes  
the entire business for the Agent.

Application supply folders with  
indexed, manual-colored tabs carrying  
complete instructions for sub-  
mission of risks; in addition, copy-  
righted factual information of an  
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Anchor's Assures Smooth Selling  
Short Form Applications  
Simplified Rate Manual



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ST. PAUL 1, MINN.

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## CHANGES IN CASUALTY FIELD

### Teague to Claim Post with Bankers Indemnity

Bankers Indemnity has appointed Leverett G. Teague as general claim superintendent, effective Feb. 1. He replaces Wayne Van Orman, who has resigned to enter private law practice in New York.

Mr. Teague is a 1928 graduate of Southeastern Massachusetts Law School. In 1914 he joined American Mutual Liability, advancing through the claim department to division claim manager at New York. From 1917 to 1919 he was in the army. Mr. Teague joined Allstate at Chicago, becoming general claim manager.

### Sargent, Employers Veteran, Retires

After nearly 50 years with Employers Liability, Frank O. Sargent, regional superintendent for New England, retired Dec. 31.

Mr. Sargent started in insurance as an office boy for Samuel Appleton, United States manager and attorney for Employers Liability. In 1926 he became assistant resident manager of the New England department of Employers group, and in 1934 was made resident manager.

In 1946, he was advanced to regional superintendent with general supervision of activities in the New England states.

Mr. Sargent is widely known for his work with National Council on Compensation Insurance. He now lives at Salem, Mass., and has a summer home at Annisquam.

### Bituminous Cas. Goes on Direct Basis in Wis.

Bituminous Casualty has appointed James S. Fulton as special representative in Wisconsin. For the present, he will work out of the home office at Rock Island, but the plan is to open a branch office at Madison in the near future.

For the past nine years Bituminous has operated in Wisconsin on a general agency basis.

### Hail to U. S. Guarantee

Leonard K. Hail has joined U. S. Guarantee at San Francisco as a fidelity-surety underwriter. He is a graduate of University of California and has been with Travelers since 1929, more recently in the fidelity-surety department.

### Smith Promotion Chief

Wayne Smith of Des Moines has been named supervisor of home office sales for the Iowa Farm Bureau insurers. He will be in charge of promotion and advertising for Iowa Life, Iowa Farm Mutual and Iowa Mutual Hail.

### Schultz Safety Engineer

George Schultz of Des Moines has been appointed safety engineer by Hawkeye Casualty. He is a graduate of Iowa State Teachers College, was assistant safety director of the Des Moines ordnance plant and later safety director of Milwaukee ordnance plant. He was for several years a safety engineer in the insurance field in Chicago.

### Motorists Mutual Changes

Harry J. Schick, with Motorists Mutual, Columbus, O., for 16 years, has been promoted to claims supervisor. A. M. Buescher, secretary, who has

served as claims supervisor for 19 years, will devote his full time to his duties as secretary and assistant general manager. Walter Dressel, former Ohio superintendent, has been named chief counsel. James W. Huffman, former U. S. senator, was elected general attorney, succeeding the late Wilbur Benoy.

## ACCIDENT

### New Mass. Governor Urges Compulsory Health Cover

BOSTON — Establishment of a compulsory health insurance program in Massachusetts was advocated by Governor Dever in his inaugural address.

He said that in the case of the worker himself, the program should embrace disability compensation benefits equal to existing employment security payments. It should provide the means of procuring, in behalf of the worker's entire family, adequate medical and hospital care by physicians and institutions of his own choice. The cost of this protection would

be met by joint contributions of management and the employees themselves. He cited the plans already in operation in Rhode Island, California and New Jersey.

### N. J. Women Elect Jan. 20

The annual meeting of New Jersey Women's A. & H. Insurance Assn. will be held Jan. 20 at Newark. New officers will be elected and installed.

Richard Caldwell, U. S. Life, president of New Jersey A. & H. Assn. will be the speaker.

An executive board meeting of the New Jersey association has decided to increase dues from \$5 to \$6.

### New Conn. Plan Organized

HARTFORD — Connecticut Medical Service, a new non-profit plan for prepaid medical care, was formally organized at New Haven last week. Robert S. Judd of New Haven was elected president. Dr. Creighton Barker, executive secretary of Connecticut Medical Society, was chosen acting director of medical service. A 12-man board of directors was also named, consisting of six physicians named by the medical society and six laymen named by Connecticut Blue Cross.

Blue Cross will act as administrative

agent for the plan as soon as enough surgeons have signed participating agreements.

The plan goes to Commissioner Allyn for formal approval before the actual signing up of doctors starts.

Robert Parnall, Connecticut Blue Cross general manager, has been appointed general manager of the new plan as well.

### Follmann Chicago Speaker

At the meeting of Chicago A. & H. Assn. Jan. 18 at Hotel LaSalle, Joseph F. Follmann, Jr., manager of Bureau of A. & H. Underwriters will speak on "Current Problems Facing You Today in the Business."

Mr. Follmann represented the bureau companies at the commissioners' meeting in New York and will review the regulatory picture as it appears today.

### Add to Bureau Program

NEW YORK—The program for the educational seminar of Bureau of A. & H. Underwriters Feb. 1-3 at the Biltmore hotel here, will be introduced by Logan Bidle, Aetna Life, chairman of the governing committee. In addition to those previously scheduled (Jan. 6 issue) on the program, Robert E. Ryan, Globe Indemnity, will discuss the under-

## Crime does pay

NOW . . . in one policy . . . for one premium . . . you can sell all the burglary, robbery, fraud, forgery, dishonesty protection any business man needs or wants.

NOW you can go into the most neglected market in the insurance field and offer the broadest, most flexible crime loss coverage ever written.

NOW you can have the backing of Continental's intensive advertising and merchandising campaign aimed at large and small business owners from coast to coast!

NOW you can give every prospect a FREE copy of the valuable, fact-filled booklet — "Crime Loss Prevention" — nationally advertised and locally distributed by agents to increase their incomes and build their businesses.

# CONTINENTAL CASUALTY COMPANY

310 S. Michigan Avenue

Chicago 4, Illinois

writing of hospital expense, and R. B. Smith, Royal Indemnity, the claims, sales and marketing of this line.

### Findlay Roanoke Manager

Dave Findlay has been promoted to sales manager at Roanoke, Va., by Reserve Life. He was formerly with the company's hospitalization division and succeeds Paul V. McDonald, who has been promoted to sales manager for Virginia.

### Tackles Cook Co. Farmers

The Chicago Blue Cross is now launching a sales campaign among farmers in Cook county. The recently organized Cook County Health Improvement Assn. will direct the operations

of a crew of volunteer workers that will solicit the farmers commencing Jan. 13 and running to Jan. 29. The insurance becomes effective April 1.

### Wyles with N. M. Agency

Thomas D. Wyles, Jr., for many years with the home office A. & H. department of Standard Accident and former head of its group division, is now with the James H. Russell agency at Santa Fe, N. M.

### A. & H. Course at Milwaukee

A. & H. Underwriters of Milwaukee is cooperating with University of Wisconsin in conducting the second semester of a course in A. & H. insurance at the Milwaukee extension building. Syd-

ney S. Yaudes, Time, will be instructor of the classes, beginning Feb. 7. National association certificates will be awarded students who satisfactorily complete the course.

The regional group managers of Continental Casualty are attending a conference at the home office on industrial and association groups on Jan. 13-14.

## SURETY

### Over \$14 Million Involved in Alaska Airport Project

Civil aeronautics administration has recommended awarding to C. F. Lytle Co. and Green Construction Co. of Des Moines the contract for the international express airport at Anchorage, Alaska. The bids were \$8,679,142 for part 1 and \$5,868,761 for part 2. Aetna Casualty was on the bid bond.

Scheumann & Johnson, Seattle, was low bidder at \$1,030,900 for the first unit of the Deschutes Basin project in Washington. United Pacific is on the bid bond.

Oregon highway commission has awarded the contract to Kuckenberg Construction Co., Portland, Ore., at \$1,277,597 for work on a new bridge at Portland. Continental Casualty will execute the bond.

Strand & Sons, Seattle, were low bidders at \$1,151,154 on construction of an addition to St. Joseph's Hospital, Aberdeen, Wash. Continental Casualty was on the bid bond.

American Pipe & Construction Co., South Gate, Cal., was low bidder at \$2,049,922 when bureau of reclamation opened bids for work on unit 6, Coachella Valley distribution system, between Thermal and Coachella, Cal. Fidelity & Deposit was on the bid bond.

### John Hodson Heads Surety Association of Seattle

SEATTLE—Surety Underwriters Assn. of Seattle has elected John Hodson, American Surety, president; John Cotton, Great American Indemnity, vice-president, and Gerald L. Perry, Hartford Accident, secretary for the 10th year. Mr. Perry, a past president of the association, also was named contact representative with the all-industry committee. The association has been operating continuously since 1905.

The annual banquet in honor of the retiring president, Robert Moloney of Groninger & Co., general agents of National Surety, will be held Jan. 14.

### O.K. Estate Bond Plan

RICHMOND—Corporation commission of Virginia has approved an amendment to the manual of Surety Assn. of America for writing indemnity bonds covering administration of estates without judicial proceedings.

### Tells Army Feats in Greece

Army engineering achievements in Greece during the last war were described by Robert Steers, president of J. Rich Steers Co., New York engineering firm, at the January meeting of Surety Underwriters Assn. of New York City. Mr. Steers told of the engineering problems connected with putting back into use a number of vital facilities which had been destroyed by the Germans when they retreated from Greece.

Putnam L. Crafts, Home Indemnity, president, presided and introduced the guests.

### Discuss New Bond Forms

LOS ANGELES—Surety Underwriters Assn. of Southern California at a meeting here discussed the new blanket bond form for public officials and the proposed Los Angeles bond for smog control, the latter being referred

to the rates, rules and forms committee for further study.

A resolution ordering a memorial for the late Dick A. Graves was adopted.

## ASSOCIATIONS

### Auditors Assn. of So. Cal. Elects New Officers

LOS ANGELES—Southern California chapter of California Insurance Auditors Assn. has elected as president M. J. Hebor, National Automobile & Casualty; first vice-president, John E. Kerman, Liberty Mutual; second vice president, A. P. White, Sr., National A. & C.; secretary, Joe B. Charles, and treasurer (reelected), L. V. Carroll, both of Lumbermen's Mutual Casualty.

The advisory board includes Municipal Judge Eugene P. Fay, and Attorney Grant B. Cooper, both of whom formerly were chief assistant insurance commissioners.

### Rochester Claim Men Elect

Officers elected by Casualty Claim Managers Assn. of Rochester, N. Y. are: President, John W. DuLaney; vice-president, Gordon M. Berns; secretary, Drew Outlaw; executive committee, Lloyd C. Boyer.

### Ohio Managers to Hear Hart

Verne Hart, Sun, secretary of Ohio Fire Underwriters Assn., will address Ohio Casualty & Surety Managers Assn. at Columbus Jan. 17.

### Milwaukee County Slate

MILWAUKEE—The slate for Milwaukee County Board of Casualty & Surety Underwriters proposed by the nominating committee includes: President, Donald Gottschalk; vice-president, Gustave E. Schwarm; treasurer, Ray McKee; directors, A. A. Veitenhans, now president; R. C. Pittelkow and Gustave Blatz, Jr.

## COMPENSATION

### Mass. W.C. Changes Urged Minority for State Fund

BOSTON—A special recess commission appointed by the last legislature has recommended changes in the workmen's compensation law in major

**casualty, fire  
automobile and surety  
reinsurance  
catastrophe  
excess of loss  
treaty and specific**

### Specialty covers including:

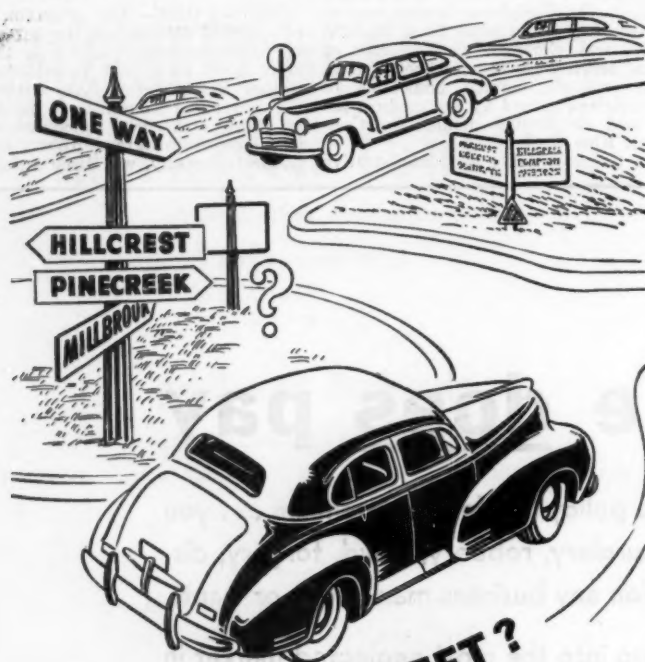
steam boiler excess  
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Stop this **COSTLY CONFUSION** ---  
There is only one way to go toward  
highway accident prevention, ---  
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ity and minority reports involving some quite drastic suggestions. The minority report recommends insurance companies be barred from the business. The majority report urges compensation be paid from date of injury if incapacity extends seven days or more. At present incapacity must extend 14 days.

The majority report also recommends the widow of a man killed in an industrial accident receive an increase in weekly benefit from \$15 to \$20 and maximum amount payable be increased from \$7,600 to \$10,000. The law now provides the same benefit payments in loss of a hand or entire arm and the same for loss of a foot or leg. In each case benefits are paid for 100 weeks. The report suggests amending this so in case of loss of an arm above the elbow payments will continue for 150 weeks, and for loss of the minor arm or either leg, 125 weeks.

#### Many Bills Are Presented

The minority report recommends a monopolistic state fund be established for compensation. Some 12 bills were submitted with the minority report, 11 proposing greater benefits than recommended by the majority.

The majority report estimated proposals of the minority would add at least \$54 million to the \$36 million now paid annually under the law, and if the state fund suggestion were adopted the state would lose \$3 million annually in taxes and several thousand insurance company employees would lose their jobs.

#### Extension Granted in N. Y.

Compensation Insurance Rating Board, National Bureau of Casualty Underwriters, and Mutual Casualty Insurance Rating Bureau have authorized an extension of time in which to make elections to apply the recently approved retrospective rating plans for New York, as well as within which to file rating values selected on individual policies. The extension was granted with the knowledge and consent of the New York department.

The notification issued by C. I. R. B. reads:

"The actuarial committee of the board has authorized an extension of time in which to make election to apply the retrospective rating plan—New York—1949 (plan D) and also an extension of time within which to file with the board rating values selected on individual policies.

"For policies with inception dates between Dec. 31, 1948 and Feb. 1, 1949, election of the plan may be made at any time not later than Feb. 1, 1949. For such policies on which the plan is elected, notification of the selection of the appropriate rating values may be made not later than March 1, 1949."

## DEATHS

**John Sullivan**, 62, manager of the bonding and burglary department of Royal Indemnity in the office of Field & Cowles at Boston, died suddenly of a cerebral hemorrhage at his home in Brookline, Mass. He started with U. S. F. & G. at Boston in 1904. He went with Massachusetts Bonding in 1907 and to New England Casualty in 1913. He was with Aetna Casualty at Boston 1916-1921 and in 1922 went with Field & Cowles. He was a past president of Surety Underwriters Assn. of Massachusetts.

**Lewis O. Wrenn**, 51, manager of Virginia automobile assigned risk plan and assistant manager of Virginia Automobile Rate Administrative Bureau and Workmen's Compensation Inspection Rating Bureau of Virginia, died at Richmond. He was a graduate in electrical engineering of Virginia Polytechnic Institute.

**Leser J. Isch**, 41, assistant underwriting manager of Iowa Hardware Mutual, died of a heart attack at the office New Year's Day. Mr. Isch joined the company in 1939. He served three years in the navy.

## Group Medical Home, Office Cover Remains Experiment

The sale of group medical insurance increased during 1948, but home and office call coverage is still in the experimental state and some of the group writing companies still do not offer it. There was quite a bit of union pressure for group medical last year that is expected to increase during the fourth round negotiations which will be called for by unions as soon as the status of the Taft-Hartley act is decided upon by Congress.

Physicians' fees coverage presents some knotty problems to the companies as far as the home and office call coverage goes. The in-hospital has been fairly well standardized. The companies have difficulty in determining standards of eligibility for families. Companies writing group medical without group disability are experiencing a high loss ratio. There is variation in eliminating the first, second or third visit, though salability of the coverage is better if first calls are covered even though a higher rate can not be asked. Claim administration is difficult because of the number of small claims. In a great many cases the schedule of benefits for

home and office call visits is limited to employees only and dependent coverage is not given. There is evidently a market for medical payment coverage in the franchise field.

## Up Limits for Yale Men

Yale university has notified students who own and operate automobiles that beginning Feb. 7 they will have to carry minimum B.I. liability limits of \$100,000/\$20,000 and \$5,000 property damage.

Yale students may operate cars only with special permission from deans of their respective schools. Freshmen are forbidden to drive automobiles unless they can show a need to do so. The new ruling apparently grows out of a fatal accident in December when a car driven by a Yale senior struck and killed a citizen of Hamden, Conn.

## F. & C. Branch Managers Gather

The branch managers of Fidelity & Casualty will be at the home office at New York the week of Jan. 17 for their annual conference with home office executives and department heads.

The H. O. Snyder & Son agency, Uhrichsville, O., has been sold to the Romig agency.

## Oppose Further Delay on Pa. Responsibility Act

**HARRISBURG, PA.**—An effort to prevent another postponement of the effective date of Pennsylvania's automobile responsibility law in the 1949 legislature is being planned, it was reported here this week.

The measure was passed by the 1945 legislature but its effective date was postponed in 1947 to July 1, 1949. Lack of funds to administer the law was the chief reason assigned for delay. Under present laws a driver is not held financially responsible in an accident until he is adjudged so by a court.

Pennsylvania wants the casualty companies to pay for enforcement of the strengthened law, claiming they would benefit from the increased business. But the companies do not entirely agree to this. They feel that the state's 2% tax on out-of-state insurance premiums should be utilized to administer this law. A portion of this tax now goes to municipal pension funds.

About 55% of automobiles operating in Pennsylvania are now covered by insurance, it is estimated.

**George Ely** has become associated with the Tourtelot local agency of St. Petersburg, Fla.

# "Pardon Us, please"



... but, aren't you the underwriter who planned to add new lines for '49?

There'll never be a better time to investigate the unusual agency-building advantages of Provident's

## Complete PERSONAL Protection

**A. and H. INSURANCE\***... Every form of Accident and Sickness coverage—including Franchise plans for five or more employees. Non-Cancellable Disability policies. Monthly Premium plans. Special Risk coverages.

**HOSPITAL INSURANCE\***... Issued on Individual, Family Group (ages 3 months to 80 years) and Franchise plans. Hospital Room and Board, Miscellaneous Hospital Extras, Surgeon's Fees and Medical Care.

**LIFE INSURANCE\***... All modern forms of Guaranteed Rate Ordinary from birth to age 65. Substandard, Annuities, and T & P Disability Income (\$10 monthly per \$1,000) combined with wide choice of Life plans.

\* All written on Group Plans (minimum of 25 employees) and on special forms designed for Railroad Employees.



**PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY**

CHATTANOOGA

*protecting provident people since 1887*

## Premium Discount Questions Answered

(CONTINUED FROM PAGE 11)

standard premiums be combined with liability standard premiums for the purpose of determining the premium discount percentage applicable to New York liability premiums?

A—No.

9. Q—How is the amount of premium

discount determined when a part of the total standard premium is subject to retrospective rating?

A—For illustration purposes, it is assumed in the subjoined example that of the \$100,000 total standard premium \$75,000 is in New York, and that of such standard premiums \$50,000 in New York

(1) Total Standard Premiums, Including Retrospective and Non-Retrospective Premium Discount				
State (1)	Kind of Insurance (2)	Standard Premiums (3)	% (4)	Amount (3) × (4) (5)
New York	All other auto liab.....	\$ 75,000.00	15.0	\$11,250.00
Other States	All other auto liab.....	25,000.00	—	—
Total .....		\$100,000.00		

(2) Standard Premiums Subject to Retrospective Rating				
State (1)	Kind of Insurance (2)	Standard Premiums (3)	% (4)	Amount (3) × (4) (5)
New York	All other auto liab.....	\$50,000.00	13.9	\$6,950.00
Other States	All other auto liab.....	15,000.00	—	—
Total .....		\$65,000.00		

(3) Premium Discount for New York Non-Retrospective (1) — (2)....\$4,300.00

and \$15,000 in other states are subject to retrospective rating.

10. Q—Do the premium discount rules apply to risks assigned under any automobile assigned risk plan?

A—Yes, but the standard premium to be used for purposes of entering the table shall be the appropriate tariff premium for the risk prior to the applica-

Three Year Premium (1)	Standard Premium Used to Enter Tables (2)	Premium Discount Determined from (2) (3)	Amount (1) × (3) (4)	Discounted Premium (1) — (4) (5)
\$9,000	\$3,000	6.3%	\$567	\$8,433

tion of any applicable surcharges provided by such assigned risk plans. The surcharges provided in such assigned risk plans are then applied to the net premiums after application of premium discount, and the production cost allowances provided in the assigned risk plans are applied to the total premiums including such surcharges.

All of the foregoing questions and answers apply in connection with one year policies. The following questions and answers apply to three year policies:

11. Q—How are the premium discounts applied on a three year general

Three Year Premium (1)	Standard Premium Used to Enter Tables (2)	Total Production Cost Allowance % Determined from (2) (3)	Amount (1) × (3) (4)
\$9,000	\$3,000	21.6%	\$1,944

liability policy for which the three year premium is \$9,000?

A—For purposes of entering the table the total standard premium is \$3,000 (the three year premium of \$9,000 divided by the number of years that policy is in force) and the premium discount percentage for a \$3,000 risk applied to the policy premium of \$9,000 as follows:

12. Q—How are the commission tables applied on a three year general liability policy for which the three year premium is \$9,000?

A—For purposes of entering the commission table, the total standard premium is \$3,000 (three year premium of \$9,000 divided by the number of years that the policy is in force) and the production cost allowance shown in table for a \$3,000 risk is applied to policy premium of \$9,000. Assume that the business comes from a general agent and that the entire risk is located in New York the commission is determined as follows:

## CONTRACT BONDS

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**Required by Law on public construction work.**

**Required by good judgment on private contracts.**

Contract Bonds are essential to the owner for—  
• selection of a capable contractor  
• guarantee of performance  
• payment of lienable claims.

Contract Bonds are essential to the contractor for establishment of credit.

Central Surety agents play an important part in providing contract bonds throughout the nation.



**CENTRAL SURETY AND INSURANCE CORPORATION**

R. E. McGINNIS, President

HOME OFFICE KANSAS CITY, MISSOURI

## Answer Filed in Ark. Suit Aimed at Rate Law

(CONTINUED FROM PAGE 17)

ice in the provision of a market where none otherwise exists and is in furtherance, not restraint, of trade, the answer declares.

The relationship of the bureau to the assigned risk plan in Arkansas, which was approved Aug. 21, 1947, is that in the interest of economy and convenience the bureau makes available its printing and certain other administrative facilities. Participants in the plan other than its members and subscribers are not required to use bureau coverages, underwriting rules, rates or rating plans, however.

The company members or subscribers of the bureau are required by law to use the coverages, underwriting rules, rates and rating plans of the bureau, and participate in the assigned risk plan. Exceptions are Fidelity & Deposit, which doesn't write auto; Manufacturers & Merchants Indemnity, which deviates, and Standard Accident, which doesn't accept assignment of taxicabs by the Arkansas plan.

Bureau members and subscribers write about 56.7% of auto liability coverage written in Arkansas, according to the answer.

Casualty Reciprocal Exchange canceled the taxicab company's policy, and it applied to the assigned risk plan and was assigned to Aetna Casualty. The exchange furnished certain incomplete data on the risk and Aetna submitted the facts to the National Bureau, which established a rate for the risk. This resulted in a somewhat higher premium than the company had been paying, as a result of its over-all loss ratio on the class of 136.1%.

James B. Donovan, counsel of the bureau, and the law firm of Buzbee, Harrison & Wright, Little Rock, filed for the defendants except the exchange.

## Survey Attitudes on Alcoholism

The Keeley Institute at Dwight, Ill., rehabilitation center for alcoholics, has sent out a survey to all life and A.H. companies to determine their stand on the insurability of applicants who have been cured of alcoholism beyond a reasonable doubt.

## New Ill. Governor Tells Stand on Workmen's 'Comp'

The only reference to insurance in inaugural address of Gov. Adlai Stevenson of Illinois pertained to workmen's compensation insurance. It is necessary, he said, to review again "the adequacy of workmen's compensation awards in the light of the increased living cost of the injured workman, and it is imperative that I insure scrupulous and disinterested administration of a law which is of such critical importance to the workmen and his employer."

For a good many years now in Illinois, labor and management after years of conferences during the legislative sessions, have come up with an agreed-upon plan that has provided progressively liberalized benefits in Illinois. As a result, workmen's compensation legislation has been held pretty much to a minimum in that state and there has been an orderly and consistent increase in benefits.

Gov. Stevenson made no direct reference to the insurance department of insurance as such. His reference to workmen's compensation insurance was under the heading of "Labor."

One of the most prominent figures at the inaugural ceremonies and festivities at Springfield this week was Herman Dunlap Smith, who is executive vice-president of Marsh & McLennan at Chicago, and who was one of Stevenson's most influential supporters during the campaign.

## MONTANA RECOMMENDATION

Gov. John W. Bonner in address to the Montana legislature, declared in the light of the high cost of life weekly payments made under the workmen's compensation law should be increased substantially because payments now made are inadequate. He recommended that the waiting period a single person be reduced to one week which is the rule with a married son. He recommended that in case of injury causing death the beneficiary receive payments for 500 weeks which the permanent disability provision. The governor also recommended an increase in the number of weeks specific injury.

The S. E. Kirk agency, Bremerton, Wash., has been sold to Beverly G. and E. W. Downing. Mr. Kirk is continuing with the agency as an associated agent.

January 13, 1948  
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## Ontario Moves to Stifle Unlicensed Insurer "Ads"

TORONTO—Superintendent Whitehead of Ontario has sent a letter to newspapers in the province asking that they refuse to accept advertisements from insurance companies which aren't licensed in the province. The superintendent comments: "The chief offending companies in this connection are American Farmers and Bankers National, both of Phoenix, Ariz. The use of the mails has been denied to the American Farmers by the Canadian federal postoffice authorities. Apparently, in order to circumvent this, one or both of these companies have recently been inserting advertisements in different newspapers, reading the same as, or similar to the following: 'Good commission, daily selling, low cost family group life insurance; worldwide coverage; no race or occupational restrictions.'"

The official asked that the newspapers check with the Ontario department to see if each insurer attempting to advertise is licensed. He indicates that the Ontario department would like to see the states adopt a regulation which is in effect in Ontario preventing an Ontario incorporated company from selling in other jurisdiction unless it is licensed there. Mr. Whitehead commented that many persons in the province have been prosecuted for selling unlicensed insurance and for not having licenses themselves.

## Protest E. St. Louis Rates

EAST ST. LOUIS, ILL.—A protest against automobile liability rates in East St. Louis as compared with other cities has been sent to National Bureau of Casualty Underwriters by East St. Louis Insurance Bureau. Max Ziebold, president of the bureau, said rates in East St. Louis are higher than in St. Louis, and that the difference between the local rates and those in adjacent communities "are out of proportion," as most of the residents of those communities do a good part of their driving in East St. Louis. The protest letter has also been sent to Director Parkinson of Illinois.

## Mass. Lloyds Ruling

In order to take credit in premium loss reserves for reinsurance with As a reinsurance Lloyds, fire and casualty insurers by March 1, must file certain sworn statements with the Massachusetts department, Commissioner Harcourt has ruled. These sworn statements must include an insolvency clause and a service of suit clause.

Seldon E. Brown, director of insurance and workmen's compensation for Associated Industries of Missouri, is addressing a luncheon meeting of Insured Members Conference at St. Joseph Jan. 15 on "Making Workmen's Compensation Rates."

## See Senate Bi-Partisan Fight on Compulsory Health Cover

WASHINGTON — Wallace Irwin, assistant to Senator Smith of New Jersey, chairman of the Senate health subcommittee, will submit suggestions to the senator regarding future health legislation, including amendments to the so-called Taft bill of the expiring Congress. Sen. Smith may introduce a health bill of his own in the new Congress or may join with others on both sides of the party line in offering a substitute for both the Taft bill and for national compulsory health insurance proposals.

A number of Democratic senators have no enthusiasm for the latter, it is understood, and some of those close to developments believe there may be a meeting of the minds, legislatively, on a non-partisan or bi-partisan measure in opposition to administration plans for compulsory health insurance.

The Taft bill proposed large federal contributions to the states to help them provide medical care for low-income elements of the population. It also would have recognized voluntary health or prepaid medical care plans and even went so far as to contemplate the states paying premiums under voluntary plans for people unable to pay the same.

Senator Smith has taken the position that if any state wants to undertake a health insurance on an experimental basis, he would welcome it, so as to demonstrate results. The U. S. Chamber of Commerce position has been, while opposing compulsory national health insurance, that if there is to be compulsory insurance in the health field it should be on a state level.

## Securities Transactions

In the official summary of security transactions and holdings reported to the SEC during the period from Nov. 11 to Dec. 10, it is shown that Edward A. Larner bought 59 shares of Employers Group Associates and now has 159 shares and J. Chester Mullen bought 23 shares and now has 302; Gary Black of Baltimore sold 10 shares of Fidelity & Deposit and now has 100 shares; U.S.F.&G. acquired 168 shares of Fidelity & Guaranty and now has 189,492 shares; Harl Phelps bought 100 shares of Pacific Indemnity and now has 200 shares. C. J. Fitzpatrick bought 100 shares of U.S.F.&G. and now has 200 shares.

## Add \$225,000 to Resources

The capital of Anchor Casualty of St. Paul has been increased from \$600,000 to \$700,000 and \$125,000 has been contributed to surplus through the sale of 10,000 shares of \$10 par value stock at \$22.50 per share.

A valedictory dinner will be tendered Edgar E. Mueller, retiring manager of Fidelity & Casualty at Buffalo, Jan. 15, by friends and associates.



## It's just as risky to be HALF-COVERED against power-equipment failure

Most owners of small and medium factories, laundries, hotels and dairies carry boiler insurance. Newspaper headlines on boiler explosions have warned them. But an accident to an engine, a compressor or an electrical unit in their place of business can also cost thousands in property damage—to say nothing of the loss from business interruptions.

You can do these individuals and firms a genuine service by

suggesting complete boiler and power-machinery insurance—plus inspections by specialists. The Special Agent of Hartford Steam Boiler has the required knowledge and experience to aid you in selling and servicing this added protection. Have him help you organize a sales campaign. Here is a real opportunity for you to widen the service and growth of your agency.



**The Hartford Steam Boiler Inspection and Insurance Company**  
HARTFORD, CONNECTICUT

FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

## How big is big?

"How long should a man's legs be?" Lincoln answered, "Long enough to touch the ground." Our 43-year-old Company is big enough to provide Life, Accident, Health and Hospital insurance on a strong competitive basis. Yet, we are small enough to give every general agent and representative close, personal co-operation . . . friendly Home Office contacts . . . the plus service that spells happiness, confidence, prosperity.

Appeal to you? Write us in confidence.

**FEDERAL LIFE & CASUALTY CO.**  
DETROIT 2, MICHIGAN

## Kellogg Traces Lessening of Pressures

(CONTINUED FROM PAGE 19)

to tell where one left off and the other began. The fact remains that numerous cases labeled capacity problems were really underwriting or distribution problems.

Among these are certain risks that

have never fully cooperated on necessary measures to reduce hazards and are thus not acceptable at present rates. They should have trouble in getting coverage. Other accounts which had become accustomed to shopping in a soft

market find shopping in a tight market virtually impossible. The industry cannot be blamed for this. Some companies have reduced their retentions and it is necessary for a large risk or its broker to seek additional carriers. If the risk is good and the rate proper, the coverage has not been impossible to place. Brokers and agents have really had to work to place some lines.

### Few Situations Unsolved

About the only situations in the fire and casualty fields which have not been solved are long-haul trucks and buses, certain jewelry schedules and warehouse risks in which inflated prices have resulted in too high a concentration of value. Most notable in this last category are whisky storage warehouses. In the long-haul field, it seems to be more a matter of rate than capacity. Certainly no more than 1% of fire and casualty risks have any capacity problem and the solution may not be so much an insurance problem as a problem for the individual risk to adjust its operations to come within the scope of the 99% which find adequate coverage. The average policyholder is totally unaware that a capacity problem exists.

If all companies held the same type and quality of assets, wrote the same kinds of business in relatively the same proportion and had the same loss and expense ratios, then the volume of premiums written annually would be a safe indication of the amount of surplus required to absorb any abnormal losses from underwriting. However, due to the many dissimilarities among companies and the necessity for carefully evaluating so many different factors, the ratio of annual writings to surplus cannot be considered the controlling factor but merely one contributing factor to a company's strength or weakness.

In measuring potential capacity, surplus to policyholders is the starting point. If assets are overvalued, the reported surplus must be reduced to arrive at the true condition, and the contrary is equally true. In addition to consideration of the valuation of assets and liabilities, the equity in unearned premiums must be determined by a sound formula and taken into account.

Having thus established the true surplus the next step is to ascertain net liabilities.

### Adjusting for Differences

In the normal company, net liabilities are the statement liabilities, less equity in unearned premiums and less equity or plus shortage in claim reserves. However, with companies which operate on a basis under which they do not collect the premiums until they are earned and, therefore, have little or no unearned reserve, or in cases in which the unearned reserve is higher than average, for the run-off cost of the unearned premiums there is substituted an estimate of a half year's losses. This procedure adjusts for any differences in methods of computing the statement unearned premium reserve.

In effect, this establishes on a conservative basis the theoretical liquidating value of each company, and also the amount which would be required to pay all of its debts, including the reinsurance of its business. Then is ascertained the ratio of the net worth or "safety factor" to "net liabilities."

As of Dec. 31, 1947 the ratio of net worth to net liabilities was 67.1 for the mutual casualty companies and 91.8 for the stock casualty companies. About 10 points of the stock company average was acquired during the past two years through additional funds paid in by stockholders.

The highest ratios ever reached in the casualty field were in 1944 and 1945 when the mutuals had a "loss-paying margin" of 85% and the stock carriers reached 120%, the culmination of an almost uninterrupted 12-year advance made possible by the most profitable underwriting period in casualty history. The declines in 1946 and 1947 have set both groups back to the levels reported

## WANT ADS

### OPPORTUNITY FOR GROUP UNDERWRITER

If you are an experienced group underwriter—particularly if you have specialized in policy construction—this may be the opportunity you've been looking for!

Our company writes virtually every form of group insurance and has long ranked among the leaders in the industry. This new position has been created by the rapid expansion of our business. The man who can fill it now will have unusual opportunities to grow with one of the most progressive companies in the field.

Reply giving full history and references. Enclose recent snapshot if available.

Address Box S-89  
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175 W. Jackson Blvd.  
Chicago 4, Illinois

### General Agent Wanted

An excellent opportunity for a life, accident and health agency with special appeal to lifetime income disability. Producers desirous of developing an exclusive territory. Initial boost by having thousands of good leads without cost; attractive commissions. We are not promising the world with a fence around it, but we sincerely believe this is as good a deal as you will find anywhere. Only experienced agents are invited to write J. F. Kutak, Guarantee Reserve Life Insurance Company of Hammond, Indiana.

### HOME OFFICE CHIEF SAFETY ENGINEER

Midwestern stock casualty company wants an experienced safety engineer to head up the department. He should be age 35 to 45, a college graduate with an engineering degree, about 10 years safety engineering experience with an insurance company and must have executive ability. Workmen's compensation experience essential. Our employees know of this ad. Address S-78, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### AVAILABLE

Casualty and bond man desires west coast location. Age 38. 18 years experience with two major groups—underwriting, accounting and 10 years successful production. Excellent references. Agency or company. Employed at present. Address T-1, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### SAFETY ENGINEER AVAILABLE

Qualified Safety Engineer with fifteen years insurance experience in Workmen's Compensation—Industrial Hygiene—General Liability and Truck Fleet accounts. Good Technical Education—Excellent References. No territorial preferences.

Address T-2, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois

### Our Advice To Property Owners

## ANYWHERE • ANY TIME ALL THE TIME

"What you need is a competent broker or agent who not only knows insurance contracts, but also knows his way around in the insurance markets. Such an expert can relate your insurance to current economic conditions and set up a program to meet your own special requirements." (from an Atlantic newspaper advertisement)



## ATLANTIC

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FORTY-NINE WALL STREET • NEW YORK 5, N. Y.

Baltimore • Boston • Chicago • Cleveland • Detroit • Houston • Los Angeles  
Newark • New Haven • Philadelphia • Pittsburgh • San Francisco • Syracuse

Marine, Fire, Inland Transportation, Yacht, Property Floaters,  
Automobile, Liability and Casualty Insurance

Payroll & Other Casualty Audits & Inspections.

Audits of Burglary & Bond losses.

Audits for reinsurance companies of payrolls, claims, etc.

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### ATWELL, VOGEL & STERLING, INC.

60 John Street, New York—Whitehall 4-3477

A-1855 Insurance Exchange, Chicago—9 Clinton St., Newark—

369 Pine St., San Francisco

18 other offices providing nationwide service.

in 1935 a were just depression

When t able years of unprec ask where just how safely be

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in 1935 and 1936 when the companies were just beginning to recover from the depression lows of 1932 and 1933.

When the relative gains of 10 profitable years can be wiped out in two years of unprecedented growth, it is time to ask where the industry is heading and just how much additional volume can safely be accommodated.

It would appear that when the casualty industry averages fall below a ratio of 60% net worth to net liabilities, some units within the industry are sufficiently below average to encounter difficulties and fail to meet minimum statutory requirements. In 1932 and 1933 the loss-paying margin in the stock field dropped to 57.6% and 58.3%, while the mutual ratios stood at 65.9% and 63.5%.

Corresponding ratios in the fire field have always been much higher and justifiably so because of the greater catastrophe hazard.

The relationship between net worth and net liabilities shows merely where the industry stands, not where it is going. For that we must turn again to the three-way squeeze on surplus.

In the first half of 1948 premiums showed a gain of about 15% as against an unprecedented gain of 30% recorded in the first half of 1947. The same relative relationship seems to have continued in the second half of the year. In short, some of the pressure is off but there is still a definite squeeze.

#### Investments Are Conservative

With few exceptions, investment portfolios are conservative and high-grade. The continued hardening of interest rates will be of ultimate benefit even though market prices on long-term bonds are lower. Stocks have fluctuated within rather narrow limits, but dividends are higher. Unless there is a further break in stock prices or another drop in the peg on government bonds, the squeeze on surplus from the investment side is not serious.

In 1948 underwriting showed improvement. Loss and expense ratios are lower and over-all results are definitely in the black. Fire companies which have reported unsatisfactory underwriting returns for four straight years are expected to show marked improvement for 1948. Earned fire premiums are up an estimated 20%, while fire losses are up only 3%. Expenses are not expected to absorb quite half of the earned premiums so the indicated profit margin will be better than 7%. The squeeze is off on underwriting and the importance of this fact can hardly be over-emphasized in view of the very large volume of business currently being underwritten.

The slackening in rate of premium growth, reasonably satisfactory investment returns and better underwriting results have taken a lot of the pressure off surplus. However, there will undoubtedly be occasions in the future of both expansion and shock when extra margins of safety will come in handy. Extra surplus saved many companies in

the deflation of the early 30's and extra surplus made it possible for the industry to meet successfully the challenge of inflation that is only now beginning to slacken.

Surplus is needed not only for the economic swings of inflation and deflation but for possible catastrophes, periods of poor underwriting or poor investment returns and for general long-term growth. The staggering growth, due to inflation in the last few years, cannot be expected to continue, but a substantial part of recent growth has not been due to inflation alone and the long-term outlook is something to be considered in any discussion of capacity.

There are more automobiles in this country than ever and still the demand is not filled. Far more automobiles are insured than ever before due to additional state auto financial responsibility laws and to a general increase in the awareness and acceptance of automobile insurance. Before the advent of really stringent financial responsibility laws, only about one-quarter of the automobiles were insured against liability and property damage.

#### New Vistas Are Seen

In the 20 states now having automobile financial responsibility laws requiring security for past accidents, an estimated 75% to 85% of automobiles are insured. Possibly one-third of the automobiles in the other 28 states are insured. Over the next several years there should be a substantial further advance in automobile premiums because of new laws, new cars, finance requirements, greater public acceptance and possibly higher rates. That is only one line.

Just coming over the horizon is an entirely new source of business. So far only Rhode Island, California and New Jersey have adopted non-occupational disability laws, but other states are planning to follow suit and in time such legislation may spread to all states just as workmen's compensation did. Should all states adopt this type of social legislation, the annual premiums would exceed \$1 billion. In some states, it will be handled through a state fund and the life insurance companies will also bid on it to protect their group business. Moreover, casualty carriers can acquire a very sizable chunk if they wish, and many may wish to do so to protect and supplement their workmen's compensation business.

What is going to happen when the casualty branch loses its separate identity and becomes so thoroughly entwined with the fire branch of the business through multiple underwriting and broad packaged comprehensive policy contracts that it will be impossible to tell where one leaves off and the other begins? We already have overlapping in automobile and aircraft policies and the next big commingling may well occur when all of the hazards of home ownership are combined in a single household's policy.

The shift to multiple underwriting may come swiftly and rather easily as

today fully 70% of the casualty business is underwritten by companies with affiliated carriers in the other field.

Of the 155 mutual casualty carriers, 68 are in the dividend-paying classification and 87 do not pay dividends to policyholders. The non-dividend companies write in annual premiums an amount approximately  $2\frac{1}{2}$  times their surplus to policyholders, while the dividend payers have a ratio of three to one. This is entirely logical for the dividend-paying carriers have an extra margin of safety in their dividends. Some carriers have reduced or discontinued their dividends in the past few years and encountered no dire consequence or loss of faith by their policyholders.

#### Size and Spread of Business

The factors of size and spread of business have also been very generally recognized by management. The larger the company and the greater its spread of business by territory and by class the less surplus it needs proportionately to fully cover contingencies. For example, the average loss-paying margin (ratio of net worth or safety factor to net liabilities) in the mutual casualty field at the end of 1947 was 67.1%. The 10 largest mutual carriers, each writing in excess of \$12 million in annual premiums, had a ratio of only 62.4. The

next nine, writing between \$5 million and \$12 million had a ratio of 65.5; those writing between one million and two and one million, 76.1%; and the 20 smallest carriers, those writing less than one-half million dollars in annual premiums, had a ratio of 105.3%. In the stock field, the same general pattern prevails and even to a greater degree as the stock carriers writing less than one-half million annually had a loss-paying margin of 308.7%. Similar relationships prevail in the fire field.

There is a lot more to the capacity problem than can be evaluated by the ratio of premium writings to surplus. Most insurance company managements, by taking into consideration the other important factors peculiar to their own position and method of operation, have met the problem successfully to date and will continue to meet it successfully in the future. By recognizing that a capacity problem exists and considering carefully all factors involved, very few managements will go overboard.

Theoretically, a company could write itself out of business because of the statutory requirements for unearned premiums but actually there has never been a company placed in receivership because it had too much good business. Companies fail because of poor quality assets, unprofitable business or catastrophe losses.



### CUSTOMER and potential CLAIMANT!

With customers coming and going all day long, the small neighborhood merchant has plenty of chances to become the defendant in a damage suit. He needs broad liability coverage at a price he can afford to pay. With the new STOREKEEPER'S LIABILITY POLICY, you can offer coverage for premises, products, contractual and elevator hazards — plus Medical Payments. The latter (\$250 basic limits) is included without additional cost.



#### TWO NEW FOLDERS

To help you sell storekeeper's Liability coverage, here are two attractive, colorful folders which describe the policy and its advantages.

### AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

FIRE AFFILIATE: AMERICAN AVIATION & GENERAL INSURANCE COMPANY

Cable Address "REINGENCY" Chicago

Telephone Wabash 7515

**REINSURANCE** Agency Inc.

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FIRE—CASUALTY**

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Clyde Smith Takes in Two Partners in Lansing Agency

LANSING, MICH.—Clyde B. Smith, former president of N.A.I.A., announces that his agency is being reorganized under the new firm name of Clyde Smith, McKnight & Lyman.

The new agency will combine the business of the Clyde B. Smith agency and that of the McKnight agency, operated for a number of years by Irwin H. McKnight, with Richard P. Lyman, Jr., mayor of East Lansing and long-time secretary-treasurer of the R. E. Olds Co. of Lansing, entering the business in an active capacity. All of the companies represented by both the Smith and the McKnight agencies will be continued.

Mr. Smith, who will maintain his contacts and be available in an advisory capacity, plans to free himself largely from administrative detail, which will be handled in the future by his younger associates.

The Smith agency has been operated by its present owner for 30 years, Mr. Smith having taken over the old Row-Ackerman agency established in 1886. The McKnight agency was started in 1931. Mr. Lyman in the past has had experience only in the purchasing of insurance.

### Mich. Solons Organize

LANSING, MICH.—Senator Lee H. Roy of Hancock, a local agent, has been named chairman of the Michigan senate insurance committee. Rep. Andrew Belt of Grand Rapids continues as chairman of the house committee.

Commissioner Forbes has indicated he has no legislative program to present and there have been some indi-

cations that the session would be a rather quiet one from the standpoint of insurance legislation.

In his address outlining a legislative program, the new Democratic governor, G. Mennen Williams, advocated higher compensation rates, extension of medical care and disability benefits, and coverage of all industrial workers. He also noted that crowded housing conditions are causing high fire hazards.

### NEWS BRIEFS

At the annual meeting of the **Waupun Farmers Mutual Fire** at Waupun, Wis., Norman Evenson was elected president to succeed Fred F. Berg, who declined reelection after serving for a number of years.

Mrs. Mary Carlos of **Springfield, O.**, has sold her agency to the J. F. Riley agency.

R. M. Anderson and H. D. Jeffell have purchased the interest of Myles E. Beeler in the W. G. Whitaker & Son agency at **Wooster, O.**

Thieves carried a 300-pound safe from the offices of the **Sanshuck agency at Cleveland** and extracted \$164 from it.

Robert Williamson has opened an agency at **New Philadelphia, O.** He has been a part-time agent for 16 years.

Two **Iowa fire mutuals**, Vinton Mutual and Eden Mutual, have merged.

**Topeka Assn. of Insurance Women** will be host next spring to the annual meeting of region 7 of the National Assn. of Insurance Women.

Mrs. Anne Biddison of the Scheuer-Kempe agency was elected president of the **Rock Island Assn. of Insurance Women** at the annual meeting, other new officers being: Vice-president, Miss Ethel Volk, C. L. Sater agency, and secretary-treasurer, Miss Evelyn Cohn, Hance & Hance. Miss Helen Stombs, president National association, gave highlights of the regional meeting of that organization at Columbus.

**Indianapolis Assn. of Insurance Women** has elected Miss Mary Lou Feltman, president; Miss Sarah Moore, vice-president; Miss Lillian Berkley and Miss Lorene Biehl, secretaries, and Miss Mabel Miller, treasurer.

Harold Dunn, for 12 years with the Reitan-Lerdahl agency, Madison, Wis., the last two years as a field man, has resigned to start his own agency at 119 East Main street, **Madison**, and will devote part time as eastern Wisconsin supervisor for Indiana Lumbermen's Mutual Fire. His father and brother, W. H. and Lee Dunn, operate the Dunn Agency at **Oregon, Wis.**

The **Insurance Women of Madison (Wis.)** have elected as president, Helen Griesbach; vice-president, Joyce Montgomery; recording secretary, Alice Hahort; corresponding secretary, Donna Lynch; treasurer, Mary Phillips. Miss Louise Marston, society editor Wisconsin "State Journal," talked on "Personalities in the News."

**Insurance Women's Club of Detroit**, at the annual "Bosses' Night" banquet, heard R. L. Packard of the Packard Motor Car Co. Myrtle Kerr, Maryland Casualty, the president, presided. Mr. Packard was introduced by Eugene F. Gallagher, director of special services of Planet.

## SOUTH

### Ark. Insurance Forces Join in Legislative Effort

LITTLE ROCK—A joint legislative committee has been formed, composed of representatives of the agents, and board and non-board fire and casualty companies, to present, if possible, an industry-wide, united approach to all legislation affecting insurance which may appear in the legislature. Chairman is C. S. McNew, Jr., Pine Bluff, legislative chairman for the Arkansas Assn. of Insurance Agents.

The new committee is composed of the agents' legislative committee, a five-man committee from Arkansas Assn. of Managing General Agents, three from Arkansas Field Club, and five representatives of casualty companies. There will be a five-man steering committee

made up of members from the various groups, to work with Manager Miles O. Moore, Jr., and the legislative counsel of companies and agents. Operations will be channeled through the association office.

### Reviews School Insurance

J. T. Rhudy, general agent of Jacksonville, appeared before the Pinellas county board of public instruction at Clearwater, Fla., to review a survey that he had completed, setting forth plans for revising the fire insurance setup on the county schools. If the schools were insured at full value, Mr. Rhudy said, the premiums would aggregate \$19,000 annually. This compares with the present premiums of \$6,000. The board indicated its belief that the \$19,000 figure would be burdensome but Mr. Rhudy told of an example in Duval county where the schools were only partially insured. Recently a school building was destroyed at Baldwin and the insurance recovery was but \$50,000, whereas the board had to spend \$300,000 to replace the school.

In answer to a question, Mr. Rhudy expressed the belief that it is not advis-

able to carry windstorm insurance in this area.

### P.R. Meeting at Memphis

MEMPHIS—George Traver, public relations director of National Board of Fire Underwriters, was principal speaker at a public relations meeting here last week. Other speakers at the meeting, sponsored by Tennessee Assn. of Fire Underwriters, were: Charles F. Zehnder Jr., Nashville, on "Developing Community Comprehension of Capital Stock Fire Insurance," and Salem Hyde, Cleveland, Tenn., on "Public Understanding of Our Agency System." George Frank, chairman of the public relations committee, presided. About 300 attended.

### Durham Exchange Elects

DURHAM, N. C.—Alfred Williams has been elected president of Durham Fire Insurance Exchange, succeeding John Sorrell. W. S. Markham is vice-president; Southgate Jones, Jr., secretary; W. J. O'Brien, chairman, of executive committee.

## PACIFIC COAST AND MOUNTAIN

### Prov. Wash. Advances Ted Nickerson on Coast

Ted Nickerson, formerly Oregon manager, has been promoted to agency superintendent in the Pacific Coast department of Providence Washington. The new Oregon manager is Ed Doll, who recently has been assistant manager of the W. D. Morton agency at Portland. Hal Somers, who has been an underwriter at San Francisco for P.W., is transferred to Oregon as special agent.

Mr. Nickerson will have direct supervision of the entire Pacific department field production operations.

Mr. Nickerson started with Johnson & Higgins at San Francisco, later was underwriter for the Aetna Life companies, then was with Maryland Casualty as special agent, and from 1939 until the outbreak of the war he was special agent for D. F. Broderick in Oregon and southern Washington. He saw war service with Douglas Aircraft, Kaiser Corp. and in the maritime service. After the war he became special agent for the old Boston-National Union-Providence Washington combined office.

Mr. Doll was assistant manager of the underwriting and reinsurance departments of Northwestern Mutual Fire from 1929 to 1947 and since then has been with the Morton agency.

Mr. Somers attended Iowa State Teachers College and then served in the navy.

### Two Garage Fires in Mont.

Damage from fire at the Burlington Transportation Co. garage at Billings, Mont., is estimated at \$400,000. The loss was caused by ignited gas fumes and spread rapidly from fuel tanks to demolish the building, eight buses and two semi-tractors.

At Sidney, Mont., another fire destroyed a garage and 17 cars and trucks with an estimated loss of \$200,000. This fire was caused by an explosion in an acetylene tank.

### Great Western Promotions

John Archer, who has been a fire underwriter with Great Western Fire & Marine of Los Angeles, has been promoted to special agent at large in southern California. Paul Stechel succeeds him as fire underwriter.

Mr. Archer before joining Great Western had been with Pacific Fire

Rating Bureau since 1946 in the examining and average rate departments. He was in charge of the farm and provisional departments and a surveyor with a rating crew.

Mr. Stechel has been with Fire Rating Bureau in the examining, earthquake, average rate and provisional departments and just recently was in charge of the business interruption department.

### Consider Colo. Legislation

DENVER—At a meeting of Denver Assn. of Insurance Agents on Jan. 6 the legislative committee reported on a program for workmen's compensation, agents qualifications law amendments, surplus lines law and depreciation insurance and valued farm insurance.

### Two Ore. Chairmen Named

E. H. Singmaster of Ashland has been appointed chairman of the fire prevention committee of Oregon Assn. of Insurance Agents by President J. Don Smith. Robert Jones, Myrtle Creek, is named chairman of the membership committee.

### C.P.C.U. Course at L. A.

LOS ANGELES—Final examinations for the first semester of the University of Southern California study class covering C.P.C.U. material will be held Jan. 18-19. G. Earl Williams, associate manager of National Surety, has been directing the course.

### Insurance Classes at L. A.

Insurance Assn. of Los Angeles will start its 1949 classes on insurance, under the chairmanship of Dee B. Willcuts of the educational committee, on Jan. 17-18.

The class on fire insurance and allied lines will open Jan. 18 with Marshall Rankin of the Aetna Fire Group, and Russell S. Robertson of the W. I. Hollingsworth agency, as instructors. The course will run for nine weeks, and will cover U. & O. rents and rental value, extra expense and additional living expenses in addition to the standard fire policy.

The class on public liability and workmen's compensation will start Jan. 17. William E. Roskam, Jr., will be instructor for the public liability section, and Jackson Holmes for the workmen's compensation section.

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## Famous American Homes



John Quincy Adams' birthplace  
Built in 1716



John Adams' birthplace  
Built about 1681

# The Penn's Hill Cottages

WHEN John Adams was courting Abigail Smith, the young lady's father at first did not look with favor on the match and preached a sermon from the text, "Mary hath chosen the better part," in reference to his other daughter's sounder prospects. Nevertheless, Abigail's husband became a distinguished statesman and our second President, while Mary's acquired only reflected fame.

John Adams was born in the family cottage at the foot of Penn's Hill in what was then Braintree, Massachusetts. After his marriage in 1764 he moved into the neighboring house which he had inherited from his father and opened his law office in the old kitchen. In this cottage his son, John Quincy, was born.

Though for a time the Adams family lived



Fireplace with oven in kitchen of John's and Abigail's cottage

in Boston, the disturbances prior to the Revolution compelled them to return to their Braintree home. Here too, though official duties kept the elder John away from home,

## Where Two Presidents Were Born

Abigail and John Quincy were subjected to the confusion and terror of wartime. Militia men and refugees were often quartered in or near the two cottages, wounds were washed and dressed and the family's pewter spoons were cast into bullets.

From a rock on Penn's Hill little John Quincy and his mother watched the smoke of burning Charlestown and listened to the distant cannon during the battle of Bunker Hill. So vivid was his mem-

ory of that occasion that on its eleventh anniversary he could not take part in a celebration, remarking "... the ground which had been the scene of such an awful Day should not be made a scene of Revels and Feasting."

When John Adams went to France to represent the Continental Congress in 1778, he took John Quincy with him. Abigail could not bear to watch them sail, but her husband wrote that "Johnny behaved like a man." A year and a half later the boy once more accompanied his father to Europe and after peace

was declared Abigail joined them. She and her husband never again lived in their Braintree home though John Quincy spent two summers there after his marriage. Like his father, he devoted himself to the service of his country and was finally rewarded with the Presidency.

It was from the Penn's Hill cottage that Abigail Adams wrote her famous letters and

in one of these there is evidence that in spite of his enforced absence, her husband held his home dear, for she said, "This little cottage has more heartfelt satisfaction for you than the most brilliant court can afford."

The birthplaces of John Adams and his son are now owned by members of the Adams family and are used as the headquar-

ters, respectively, of the Quincy Chapter of the Daughters of the Revolution and the Quincy Historical Society.

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